CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

Research and development in the United Kingdom in 1981

Industrial and Commercial companies' real rates of return: differences between figures derived from national acounts and company accounts

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Release dates of economic statistics to be published in September 1984

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in September 1984. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
September			
Mon 3	CBI Monthly Trends Inquiry (August)	PN	CBI
Tues 4	London clearing banks' monthly statement (mid-August)	PN	CLCB
	Capital issues and redemptions (during the month of August)	PN	Bank of England
	Provisional estimates of monetary aggregates (mid-August)		
	Credit business (July)	PN	DTI
	Retail sales (July – final)		
	Housing starts and completions (July)	PN	Dept. of the Environment
	UK official reserves (August)	PN	HM Treasury
Wed 5	Advance energy statistics (July)	PN	Dept. of Energy
Thurs 6	UK Balance of payments (2nd quarter)	PN	CSO
Mon 10	Producer price index numbers (August – provisional)	PN	DTI
	Retail sales (August – provisional)		
Tues 11	Provisional figures of vehicle production (August)		
Thurs 13	United Kingdom National Accounts 1984 edition	Blue Book	CSO
	Index of output of the production industries (July)	PN	CSO
	London sterling certificates of deposit (August)	PN	Bank of England
	UK banks assets and liabilities and the money stock (mid-August)		
	Construction — output (2nd quarter)	PN	Dept. of the Environment
	Capital expenditure by the manufacturing and services industries (2nd quarter revised)	PN	DTI
	Manufactures' and distributors stock (2nd quarter revised)		
Fri 14	Tax and price index (August)	PN	CSO
	Retail prices index (August)	PN	DTI
	Usable steel production (August)	PN	BSC/BISPA
	Building Societies' monthly figures (August)	PN	BSA
Mon 17	Cyclical indicators for the UK economy (July)	PN	CSO
Tues 18	Public sector borrowing requirement (August)		
Wed 19	Gross Domestic Product (2nd quarter – provisional)	PN	CSO
	Construction – new orders (July)	PN	Dept. of the Environment
	Average earnings indices, employment, hours and unit wage costs (July – provisional)	PN	Dept. of Employment
Thurs 20	CBI/FT survey of distributive trades (end-August)	PN	CBI
Fri 21	Sales and orders in the engineering industries (June)	*British business*	DTI
Sun 23	Dept. for National Savings Monthly progress report (July)	PN	Dept. for National Savings
Mon 24	CBI Monthly Trends Inquiry (September)	PN	CBI
Tues 25	Balance of payments current account and overseas trade figures (August)	PN	DTI/CSO
Wed 26	Quarterly analysis of bank advances and acceptances (mid-August)	PN	Bank of England
Thurs 27	Personal income expenditure and saving (2nd quarter)	PN	CSO
	Industrial and commercial companies appropriation account (2nd quarter)		
	Overseas travel and tourism (July)	PN	DTI
	Energy Trends (July)	PN	Dept. of Energy
	New vehicle registrations (August)	PN	Dept. of Transport
	Employment and earnings by industry (July – provisional)	*Gazette*	Dept. of Employment
	Unemployment and unfilled vacancies (August – final)		
Fri 28	Finished steel consumption and stock changes (2nd quarter – final)	*British business*	DTI
	Car and commercial vehicle production (August – final)		

PN—Press Notice

CENTRAL STATISTICAL OFFICE

Economic Trends

No 370
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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 20 August. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.

Symbols used:

..	not available or not meaningful
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 80
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 30 August 1984

Output

Preliminary estimates suggest that output of the whole economy fell by about ½ per cent between the first and second quarters of 1984, although the level was 2½ per cent higher than a year earlier. Output has recently been affected by the dispute in the coal mining industry. It is estimated that the dispute reduced the level of the output measure of gross domestic product by about ½ per cent in the first quarter and by about 1¼ per cent in the second quarter. Most of the reduction was the direct result of the loss of coal output.

Output of the production industries fell by 3 per cent between the first and second quarters, mainly reflecting the effects of the miners' dispute. The service sector continued to grow, with distribution output rising by 3 per cent, more than compensating for the fall recorded for the first quarter.

The results of the CBI Industrial Trends Survey for July suggest that manufacturing output will increase over the next four months.

Official reserves and exchange rates (not seasonally adjusted)

The UK official reserves fell by $131 million in July to $15 374 million. Accruals of borrowing under the exchange cover scheme amounted to $100 million; repayments of such borrowing amounted to $50 million. The valuation change arising out of the quarterly rollover of the European Monetary Cooperation Fund swap entailed an increase of $87 million.

Up to 30 August, the average sterling effective exchange rate for August was unchanged from July's average.

Consumers' expenditure

The provisional estimate of the volume of retail sales in July is 110.7 (1980 = 100), the same level as in May but over 1 per cent lower than June's figure. In the three months May to July, sales were over 1 per cent higher than in the previous three months and nearly 4 per cent higher than in the corresponding period a year ago.

Earnings

The whole economy index of average weekly earnings in June at 155.8 (January 1980 = 100) was 0.1 per cent below May and 5.1 per cent above June 1983. The underlying increase in average weekly earnings in the year to June was about 7¾ per cent, similar to the increase in the year to May. The actual increase in the year to June was substantially below the underlying trend because average earnings in June 1984 were depressed by industrial action in the coal industry; because there were delays in some public sector settlements this year compared with a year ago and back-pay in June 1984 was lower than in June 1983.

In manufacturing industries, the underlying increase in average earnings in the year to June was 9¼ per cent, similar to the increase in the year to May. This increase continues to reflect higher overtime and less short-time working in June 1984 than a year ago.

Prices (not seasonally adjusted)

The retail prices index (RPI) for July was 351.5 (January 1974 = 100), a fall of 0.1 per cent from June and an increase of 4.5 per cent on July 1983. The tax and price index (TPI) for July was 179.9 (January 1978 = 100), 3.3 per cent up on July 1983.

The price index for materials and fuel purchased by manufacturing industry fell by 0.4 per cent between June and July. Lower prices for food materials were partly offset by rises in the prices of other, mainly imported, commodities. The increase in this index measured over a twelve-month period rose to 8.4 per cent in July from 8.1 per cent in June.

The producer price index for the home sales of manufactured products rose by 0.2 per cent between June and July. The movement in the index measured over a twelve-month period rose to 6.3 per cent in July from 6.1 per cent in June.

Unemployment and vacancies

The unemployment count for the United Kingdom (excluding school leavers) rose by 15 900 between June and July to 3 053 900. The July total reflects the effects of the 1983 Budget provisions for some men aged 60 and over who no longer have to sign on at an unemployment benefit office. However, allowing for this effect, unemployment is estimated at 3 215 700. Vacancies notified to Jobcentres rose by 5 500 in July to 164 200. There are probably about 450 000 to 500 000 vacancies in the economy as only about one-third are notified to Jobcentres.

Financial aggregates

During banking July (four weeks to 18 July), MO (average of weekly levels) rose by £30 million, or 0.2 per cent while £M3 fell by £1 040 million, or 1 per cent. Since the beginning of the 1984/85 target period MO has increased by 5.7 per cent and £M3 by 9.1 per cent at annual rates. In banking July, M2 rose by 0.8 per cent (not seasonally adjusted), PSL2 fell by 0.1 per cent and M1 fell by 0.8 per cent.

Amongst the counterparts to the change in £M3, the net effect of public sector transactions was contractionary by £830 million. The central government borrowing requirement was low at £200 million and the direct contribution of local authorities and public corporations to the public sector borrowing requirement (net of non-bank private sector purchases of their debt) was contractionary by £180 million. The non-bank private sector's net purchases of central government debt, however, totalled £850 million.

Sterling lending to the private sector rose by £340 million. The sterling value of private sector foreign currency deposits rose by £1 250 million (not seasonally

[1]All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

adjusted), with a rise in transaction terms of £670 million and an upwards valuation change of £590 million.

Stockbuilding

Provisional figures indicate that the level of stocks held by manufacturers, wholesalers and retailers fell by about £355 million at 1980 prices in the second quarter. The largest reductions in stocks were made by manufacturers and wholesalers of around £140 million and £155 million respectively. Destocking by retailers amounted to about £55 million. In the first half of the 1984 the level of stocks held by manufacturers, wholesalers and retailers fell by around £495 million compared with stockbuilding of about £280 million in the second half of 1983. Within manufacturing in the second quarter, stocks of finished goods were reduced by about £140 million, with a small rise of £40 million in work in progress exactly offset by a fall of around £40 million in stocks of materials and fuel. The stock/output ratio at the end of June stood at 96.3, unchanged from its value at the end of March since output and stock levels fell at the same rate during the second quarter.

Stocks in the energy and water supply industries fell by around £310 million in the first quarter. Energy stocks then stood at about the same level as at the end of 1981.

Capital expenditure

Capital expenditure by the manufacturing, construction, distribution and financial industries is provisionally estimated at £4 239 million at 1980 prices in the second quarter of 1984, a slight increase on the level in the preceding quarter. Expenditure in the latest six months was 9 per cent above that in the preceding six months.

The provisional estimate for the second quarter of 1984 of manufacturers' investment (taking account of the leasing of assets to manufacturers from the financial industries) was £1 552 million, 4 per cent above the first quarter. Comparison on a six-monthly basis shows a rise of 9½ per cent in the six months to June from the preceding six months. On the same six-monthly basis, comparison of expenditure on individual assets shows rises of 20 per cent for new building work, 14½ per cent for vehicles and 8 per cent for plant and machinery.

Investment by construction, distribution and financial industries (excluding leasing to manufacturers) in the second quarter was £2 687 million, nearly 2 per cent below the first quarter level. Comparison on a six-monthly basis shows a rise of nearly 8 per cent in the six months to June from the preceding six months. Comparisons of expenditure on individual assets over the same period show rises of 2½ per cent for new building work, 19 per cent for vehicles and 9½ per cent for plant and machinery.

Balance of payments

The current account for July is estimated to have been in surplus by £113 million compared with a surplus of £153 million in June. In the three months ended July, the current account was in surplus by £237 million compared with a surplus of £297 million in the previous three months. There was a deficit on visible trade of £513 million in the latest three months compared with a deficit of £551 million in the previous three months. The surplus on invisibles is projected at £750 million compared with £848 million in the previous three months.

The visible trade balance was in deficit by £137 million in July compared with a deficit of £97 million in June. The effects of the docks strike on exports and imports reduced the deficit on visible trade in July. The estimates of the docks strike effects are not sufficiently robust for this reduction to be quantified precisely. The results of various methods of estimation suggest that exports have been reduced by some £250 million and imports by about £400 million. Figures for subsequent months may include some consequent 'catching up'.

Export volume in the three months to July was 2½ per cent lower than in the previous three months. Much of this fall was due to the effects of the docks strike. It is not possible to assess with any confidence whether there has been any change in trend but the underlying level of non-oil exports in July was probably much the same as in recent months.

Total import volume fell by 2½ per cent in the three months to July—primarily, it is thought, because of the docks strike—and was 6 per cent higher than a year earlier. In recent months, the growth in the underlying level of non-oil import volume has slackened and, although it is not possible to assess with any confidence the underlying level in July, it is probable that this general trend has continued.

Selected monthly indicators[1]

	Seasonally adjusted					Unadjusted					Seasonally adjusted	
	1980 = 100	1980 = 100	Thousands		Jan. 1980 = 100	1980 = 100	Jan. 1974 = 100	Jan. 1978 = 100	1975 = 100	$ billion	£ million	
	Volume of retail sales (GB)[2,3] §	Total production industries	Unemployment[4,5,6] §	Vacancies[7] §	Average earnings (whole economy: GB)[8]	Producer price of materials and fuel[9]	Retail price index (all items)	Tax and price index	Sterling effective exchange rate	UK official reserves[10]	Balance of payments: Current balance	Money stock £M3
1983 A	107.1	100.0	3 021.1	133.7	147.0	123.1	332.5	171.8	82.8	17.7	− 58	93 810
M	107.4	100.5	2 969.9	134.0	148.6	123.8	333.9	172.6	84.9	17.9	− 314	94 450
J	107.4	99.1	2 967.7	143.3	148.2	124.0	334.7	173.1	85.2	17.7	+ 283	95 420
J	107.0	101.6	2 957.3	153.9	150.3	123.2	336.5	174.2	84.8	17.9	+ 150	95 920
A	107.6	101.6	2 940.9	160.5	150.2	124.6	338.0	175.1	85.1	18.0	+ 274	96 370
S	110.0	102.4	2 951.3	167.0	150.7	126.5	339.5	176.0	84.8	17.9	+ 404	96 730
O	109.0	102.9	2 941.0	168.1	152.0	126.2	340.7	176.7	83.4	18.1	− 299	97 740
N	110.9	103.2	2 938.5	163.2	152.1	127.4	341.9	177.5	83.7	18.1	+ 195	97 830
D	111.0	104.0	2 946.1	153.3	153.4	131.6	342.8	178.0	82.5	17.8	+ 701	99 090
1984 J	107.7	103.5	2 976.0	147.6	154.7	133.5	342.6	177.9	81.9	17.8	− 25	99 730
F	109.5	103.2	3 005.1	145.4	155.6	134.2	344.0	178.8	82.2	18.0	+ 791	99 780
M	108.3	102.1	3 011.6	147.3	154.4	132.9	345.1	179.4	81.0	16.7	+ 72	101 200
A	112.2	100.7	3 010.9	147.9	155.8	133.8	349.7	178.8	79.9	15.9	− 567	101 540
M	110.7	99.6	3 027.9	155.7	156.0	134.3	351.0	179.6	80.0	15.8	− 29	102 540
J	112.1	99.9	3 038.0[11]	158.7	155.8[11]	134.1[11]	351.9	180.1	79.4	15.5	+ 153	104 640
J	110.7[11]		3 053.9[11]	164.2		133.6[11]	351.5	179.9	78.4	15.4	+ 113	103 620
	Percentage change, latest three months on previous three months											
1983 A	+1.5	+1.7	+2.4 (+2.7)	+ 8.5	+2.9	+1.9	+1.0	..	−5.5	..	..	+3.1
M	+1.8	+0.4	+0.9 (+2.4)	+10.3	+1.9	−0.3	+1.6	..	−0.5	..	..	+3.6
J	+1.8	—	−0.6 (+2.4)	+12.8	+1.3	−0.7	+2.0	..	+4.6	..	..	+3.9
J	+1.2	+0.3	−1.7 (+2.3)	+13.5	+1.5	−0.5	+1.8	..	+5.1	..	..	+3.3
A	+0.5	+0.7	−1.7 (+1.8)	+16.6	+1.6	+0.2	+1.5	..	+3.3	..	..	+2.7
S	+0.9	+2.0	−1.2 (+1.1)	+17.2	+1.7	+0.9	+1.3	..	+0.7	..	..	+1.8
O	+1.6	+1.9	−0.7 (+0.4)	+15.0	+1.3	+1.7	+1.3	..	−0.7	..	..	+1.7
N	+2.5	+2.1	−0.4 (—)	+ 8.8	+1.3	+2.2	+1.3	..	−1.2	..	..	+1.5
D	+1.9	+1.5	−0.3 (−0.2)	+ 0.6	+1.4	+2.9	+1.1	..	−2.0	..	..	+1.8
1984 J	+0.9	+1.2	+0.3 (+0.3)	− 6.4	+1.6	+4.0	+1.0	..	−2.0	..	..	+1.8
F	−0.5	+0.7	+1.1	−10.4	+2.0	+5.0	+0.7	..	−2.1	..	..	+2.0
M	−1.7	−0.4	+1.9	− 9.1	+1.6	+4.0	+0.6	..	−1.8	..	..	+2.0
A	−0.1	−1.5	+1.8	− 5.0	+1.2	+2.1	+1.1	..	−2.0	..	..	+2.0
M	+0.7	−2.7	+1.4	+ 1.0	+0.5	+0.4	+1.6	..	−2.3	..	..	+2.2
J	+3.0	−2.8	+0.9	+ 5.0	+0.6[11]	+0.4[11]	+2.0	..	−2.3	..	..	+2.6
J	+1.2[11]		+1.0	+8.6		+0.3[11]	+1.5	..	−2.1	..	..	+2.6
	Percentage change, latest three months on corresponding period of previous year											
1983 A	+4.7	+2.5	+11.9 (+12.3)	+15.9	+8.9	+5.8	+4.6	+4.5	−10.9	..	..	+10.0
M	+5.3	+1.8	+10.7 (+12.4)	+20.2	+8.6	+6.2	+4.1	+3.8	− 8.8	..	..	+10.6
J	+5.9	+1.5	+ 8.9 (+12.1)	+26.0	+8.4	+6.7	+3.8	+3.3	− 6.6	..	..	+11.0
J	+5.8	+2.1	+ 6.8 (+11.5)	+30.8	+8.2	+6.8	+3.8	+3.1	− 6.3	..	..	+11.2
A	+5.0	+2.6	+ 5.3 (+10.6)	+37.2	+8.1	+7.3	+4.1	+3.2	− 6.8	..	..	+11.2
S	+5.3	+3.2	+ 4.0 (+ 9.6)	+43.4	+8.2	+8.1	+4.6	+3.5	− 7.2	..	..	+11.0
O	+5.3	+3.5	+ 2.9 (+ 8.6)	+46.2	+8.6	+8.8	+4.9	+3.9	− 8.2	..	..	+10.4
N	+6.4	+4.7	+ 2.0	+46.0	+8.2	+8.3	+5.0	+4.0	− 7.9	..	..	+10.0
D	+6.2	+5.4	+ 1.0	+39.6	+8.0	+7.5	+5.0	+4.1	− 6.6	..	..	+10.2
1984 J	+5.3	+5.3	+ 0.3	+32.6	+7.5	+7.3	+5.1	+4.1	− 3.4	..	..	+10.3
F	+4.4	+4.0	− 0.1	+25.4	+6.9	+7.3	+5.2	+4.3	− 0.6	..	..	+10.2
M	+2.8	+3.1	− 0.2	+20.8	+6.1	+7.2	+5.2	+4.3	+ 1.4	..	..	+ 9.9
A	+3.6	+1.9	− 0.2	+16.0	+5.8	+7.6	+5.2	+4.2	+ 0.1	..	..	+ 9.1
M	+3.2	+0.8	+ 0.4	+12.9	+5.5	+8.1	+5.1	+4.2	− 2.4	..	..	+ 8.7
J	+4.1	+0.2	+ 1.3	+12.5	+5.4[11]	+8.4[11]	+5.1	+4.1	− 5.3	..	..	+ 8.5
J	+3.7[11]		+2.5	+11.0		+8.4[11]	+4.5	+3.8	− 6.7	..	..	+ 8.4

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
[4] Unemployed excluding school leavers.
[5] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.
[6] From 1 April 1983, the figures reflect the effects of the provisions in the 1983 Budget for some men aged sixty and over who no longer have to sign on at an unemployment benefit office. The figures in brackets allow for these effects.
[7] Vacancies notified to job centres.
[8] The seasonal adjustment factors currently used are based on data up to December 1982.
[9] Purchased by manufacturing industry. (Revised definition)
[10] See footnote[2] on page 50.
[11] Provisional.

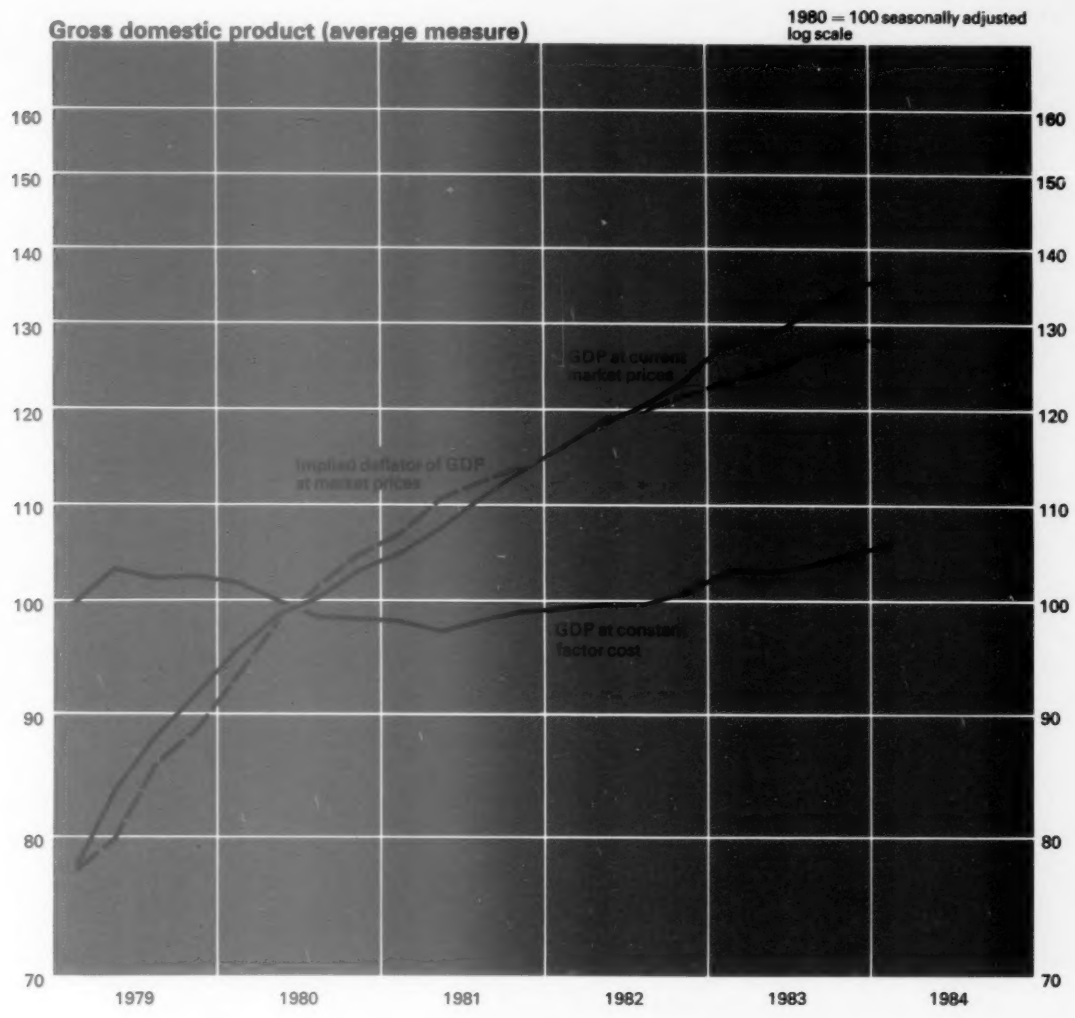
Tables and charts

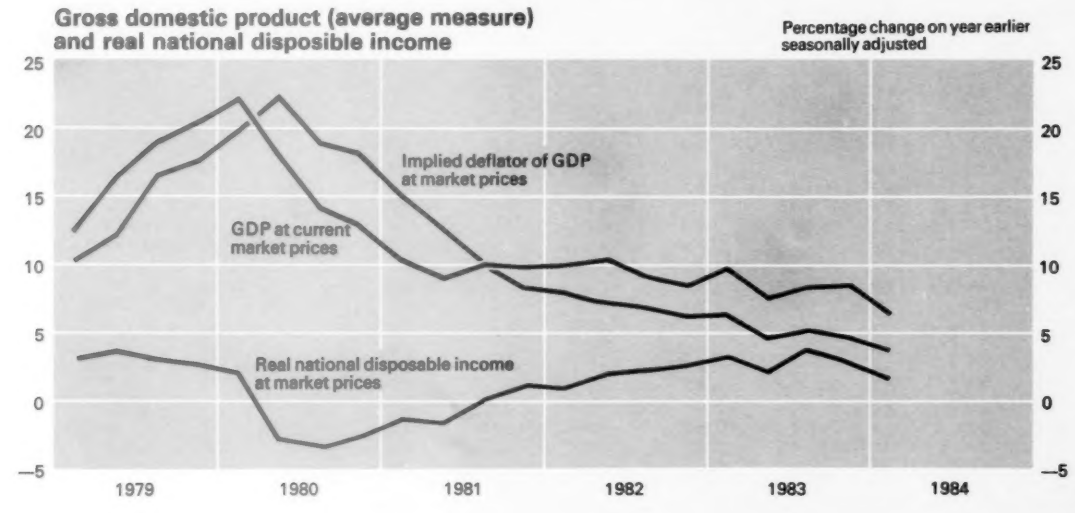
Gross domestic product at market prices and at factor cost, total home costs and national disposable income revalued at 1980 market prices[1]

Seasonally adjusted

	Gross domestic product									National disposable income at 1980 market prices	Implied index of total home costs	Implied market price GDP deflator
	At market prices[2]			At factor cost								
	At current prices		At 1980 prices	At current prices		At 1980 prices						
	£ billion	1980 = 100	1980 = 100	£ billion[3]		1980 = 100					1980 = 100	1980 = 100
	Based on:			Based on:		Based on:				Based on:		
	expenditure data	average estimate	average estimate	expenditure data	income data	average estimate	expenditure data§	income data[4]§	output data§	average estimate§	expenditure data	average estimate
1973	73.5	32.5	94.6	64.8	65.5	95.0	94.4	94.4	96.4	95.5	34.9	34.4
1974	83.6	36.7	92.9	75.1	74.5	93.5	93.7	92.1	94.8	90.7	40.8	39.5
1975	105.4	46.1	91.9	95.0	94.3	92.5	93.0	91.5	93.0	90.4	51.9	50.2
1976	125.6	54.4	94.2	112.6	109.9	94.8	96.5	93.3	94.7	92.4	59.4	57.7
1977	144.8	63.3	96.4	128.1	127.7	97.2	97.8	96.6	97.3	93.8	66.6	65.7
1978	166.5	72.9	99.9	147.2	147.0	100.2	100.7	99.6	100.4	98.5	74.3	73.0
1979	194.5	85.6	102.5	169.2	170.2	102.6	102.4	102.1	103.3	101.7	84.0	83.5
1980	227.5	100.0	100.0	196.6	198.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	251.6	110.0	98.4	215.3	215.5	98.6	99.3	98.5	98.1	99.5	110.3	111.7
1982	275.7	120.5	100.6	234.0	235.5	100.7	101.4	101.1	99.7	101.5	117.4	119.8
1983	300.6	131.0	103.9	256.8	258.1	103.9	104.9	104.5	102.2	104.7	124.5	126.1
1979 *1*	44.2	78.2	100.2	38.8	39.3	100.0	99.4	99.6	101.0	99.7	79.5	78.0
2	47.7	83.8	104.2	41.9	41.8	104.0	104.1	103.0	104.8	102.8	81.8	80.5
3	50.5	88.5	102.7	43.6	43.6	103.3	103.8	102.8	103.4	102.4	85.4	86.1
4	52.1	92.0	103.1	44.9	45.5	103.2	102.5	103.1	103.9	102.1	89.0	89.3
1980 *1*	54.0	95.8	102.4	46.5	47.7	102.2	101.2	102.8	102.6	101.8	93.5	93.6
2	56.0	99.1	100.5	48.4	49.5	100.7	100.1	101.4	100.7	100.0	98.4	98.6
3	57.8	101.1	98.7	50.1	50.0	98.8	99.3	98.1	99.0	98.9	102.6	102.5
4	59.7	104.0	98.5	51.6	51.3	98.2	99.3	97.8	97.7	99.3	105.7	105.6
1981 *1*	61.3	105.9	98.3	53.0	51.6	98.3	100.4	97.0	97.5	100.5	107.3	107.8
2	62.1	108.3	97.4	53.2	52.6	97.5	98.5	96.5	97.7	98.5	109.9	111.2
3	63.2	111.4	98.5	53.9	54.7	98.5	98.2	98.8	98.5	99.0	111.6	113.1
4	65.0	114.4	99.6	55.2	56.6	100.1	100.1	101.6	98.7	100.4	112.3	114.8
1982 *1*	66.6	116.6	100.2	56.0	56.6	100.3	100.9	101.0	98.9	101.5	112.9	116.4
2	68.4	119.7	100.4	58.2	58.6	100.4	101.0	100.7	99.6	100.5	117.2	119.3
3	69.2	121.7	100.5	58.7	59.5	100.5	100.5	100.9	100.0	101.3	118.9	121.0
4	71.5	124.3	101.7	61.1	60.8	101.8	103.2	101.8	100.4	103.1	120.4	122.2
1983 *1*	74.1	128.1	103.3	63.3	62.8	103.5	105.6	103.8	101.0	104.7	121.9	124.0
2	73.9	129.0	103.1	62.9	63.5	103.0	103.8	103.9	101.2	102.6	123.3	125.2
3	75.2	132.0	103.7	64.3	65.1	103.6	103.8	104.2	102.8	105.2	126.0	127.3
4	77.4	135.0	105.3	66.3	66.7	105.4	106.3	105.9	103.9	106.2	126.9	128.2
1984 *1*	77.9	136.5	106.0	66.8	68.4	106.3	106.6	108.0	104.1	106.6	127.5	128.8
	Percentage change, quarter on corresponding quarter of previous year.											
1979 *1*	*11.5*	*12.8*	*2.0*	*10.3*	*12.2*	*1.8*	*0.5*	*2.3*	*2.7*	*3.2*	*9.8*	*10.5*
2	*15.7*	*16.6*	*3.8*	*14.7*	*15.5*	*3.1*	*2.1*	*2.7*	*4.3*	*3.9*	*12.4*	*12.4*
3	*19.9*	*19.3*	*2.2*	*17.0*	*16.2*	*2.6*	*3.2*	*2.5*	*2.1*	*3.3*	*13.3*	*16.7*
4	*19.7*	*20.6*	*2.4*	*17.3*	*19.0*	*2.1*	*1.2*	*2.7*	*2.2*	*2.7*	*15.9*	*17.8*
1980 *1*	*22.3*	*22.5*	*2.2*	*19.8*	*21.5*	*2.2*	*1.9*	*3.2*	*1.6*	*2.1*	*17.6*	*20.0*
2	*17.4*	*18.3*	*−3.6*	*15.6*	*18.3*	*−3.2*	*−3.8*	*−1.6*	*−3.9*	*−2.7*	*20.3*	*22.5*
3	*14.4*	*14.2*	*−3.9*	*14.9*	*14.6*	*−4.4*	*−4.3*	*−4.6*	*−4.3*	*−3.4*	*20.1*	*19.0*
4	*14.6*	*13.0*	*−4.5*	*15.0*	*12.8*	*−4.8*	*−3.2*	*−5.1*	*−6.0*	*−2.7*	*18.8*	*18.3*
1981 *1*	*13.4*	*10.5*	*−4.0*	*13.9*	*8.3*	*−3.8*	*−0.9*	*−5.6*	*−5.0*	*−1.3*	*14.8*	*15.2*
2	*10.8*	*9.3*	*−3.1*	*9.9*	*6.3*	*−3.2*	*−1.7*	*−4.8*	*−3.1*	*−1.5*	*11.7*	*12.8*
3	*9.4*	*10.2*	*−0.2*	*7.6*	*9.5*	*−0.3*	*−1.1*	*0.7*	*−0.5*	*0.1*	*8.8*	*10.3*
4	*9.0*	*10.0*	*1.1*	*7.1*	*10.2*	*1.9*	*0.8*	*3.9*	*1.1*	*1.1*	*6.2*	*8.7*
1982 *1*	*8.6*	*10.1*	*1.9*	*5.8*	*9.6*	*2.0*	*0.5*	*4.1*	*1.4*	*1.0*	*5.2*	*8.0*
2	*10.2*	*10.5*	*3.1*	*9.4*	*11.3*	*3.0*	*2.6*	*4.4*	*2.0*	*2.0*	*6.6*	*7.3*
3	*9.5*	*9.2*	*2.0*	*8.9*	*8.8*	*2.0*	*2.3*	*2.1*	*1.5*	*2.3*	*6.5*	*7.0*
4	*10.0*	*8.7*	*2.1*	*10.5*	*7.5*	*1.7*	*3.1*	*0.2*	*1.7*	*2.7*	*7.2*	*6.4*
1983 *1*	*11.3*	*9.9*	*3.1*	*13.0*	*10.8*	*3.2*	*4.7*	*2.8*	*2.1*	*3.2*	*8.0*	*6.5*
2	*8.0*	*7.8*	*2.7*	*8.1*	*8.4*	*2.6*	*2.8*	*3.2*	*1.6*	*2.1*	*5.2*	*4.9*
3	*8.6*	*8.5*	*3.2*	*9.5*	*9.5*	*3.1*	*3.3*	*3.3*	*2.9*	*3.9*	*6.0*	*5.2*
4	*8.2*	*8.6*	*3.5*	*8.6*	*9.6*	*3.5*	*3.0*	*4.0*	*3.5*	*3.0*	*5.4*	*4.9*
1984 *1*	*5.0*	*6.6*	*2.6*	*5.6*	*8.9*	*2.7*	*0.9*	*4.0*	*3.1*	*1.8*	*4.6*	*3.9*

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] For details of these series see Introduction to November 1981 issue.
[3] Figures in £ million are given on page 14.
[4] Income data deflated by the implied index of total home costs.


Gross domestic product (average measure)
1980 = 100 seasonally adjusted log scale
160
150
140
130
120
110
100
90
80
70
GDP at current market prices
Implied deflator of GDP at market prices
GDP at constant factor cost
1979
1980
1981
1982
1983
1984


Gross domestic product (average measure) and real national disposible income
Percentage change on year earlier seasonally adjusted
25
20
15
10
5
0
—5
Implied deflator of GDP at market prices
GDP at current market prices
Real national disposable income at market prices
1979
1980
1981
1982
1983
1984

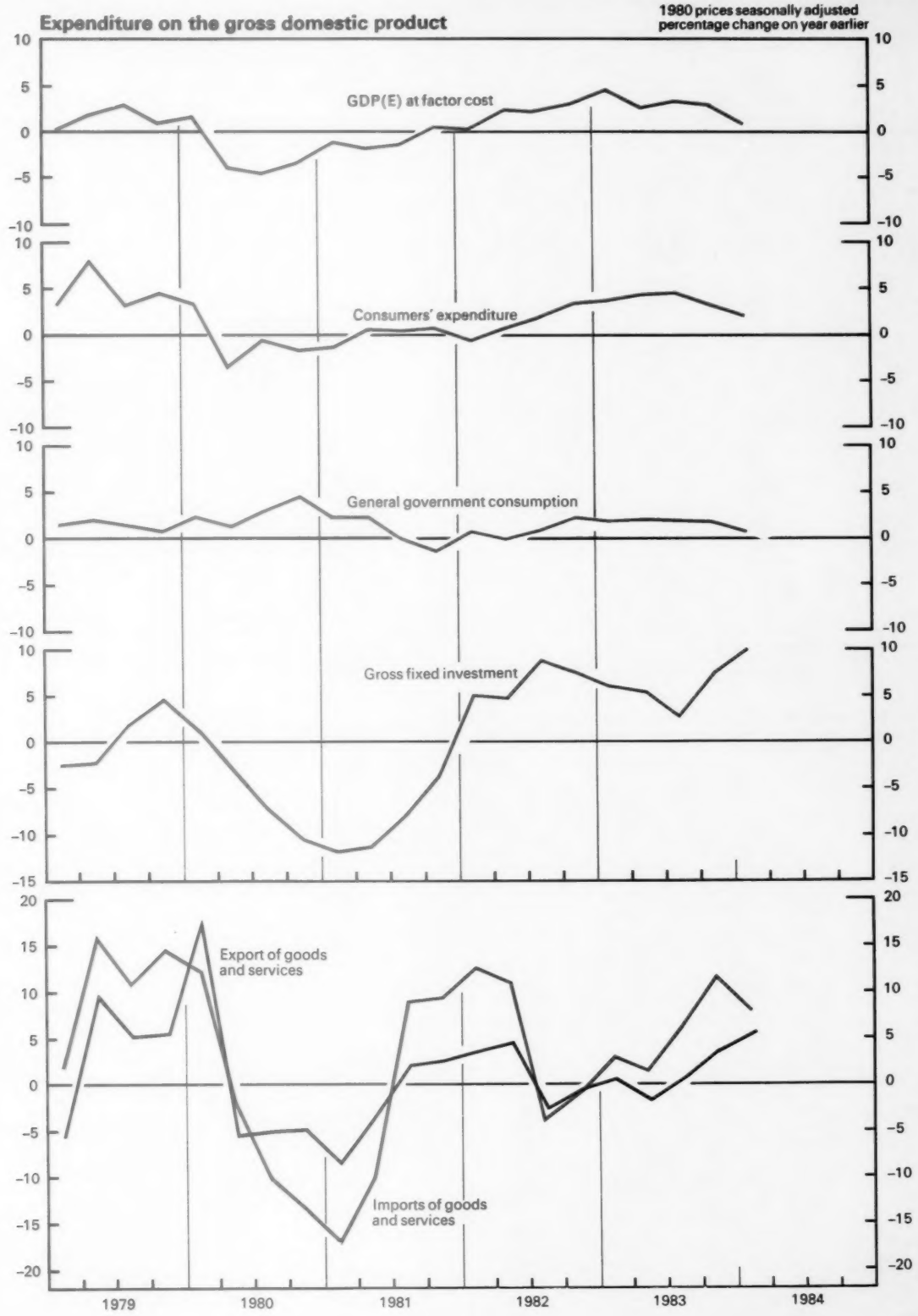
Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1980 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices									
				General government consumption							
		Total[1]	Consumers' expenditure	Total[1]	Central government	Local authorities	Gross fixed investment	Stock building	Exports of goods and services	Imports of goods and services	Adjustment to factor cost
1973	185 538	266 716	127 734	42 814	25 158	17 610	41 798	5 047	49 451	52 693	28 208
1974	184 279	265 498	125 552	43 465	26 046	17 407	40 639	2 860	53 072	53 350	27 279
1975	182 858	259 499	124 824	45 814	27 473	18 330	40 297	−2 901	51 657	49 576	26 863
1976	189 743	269 425	125 097	46 249	28 048	18 212	40 856	1 081	56 282	51 641	27 783
1977	192 371	272 734	124 646	45 734	27 876	17 879	39 851	2 638	59 913	52 251	27 763
1978	198 000	282 537	131 485	46 728	28 184	18 544	41 210	2 090	61 024	54 267	30 270
1979	201 456	292 856	138 004	47 683	28 631	19 052	41 411	2 490	63 268	59 908	31 492
1980	196 642	284 925	137 324	48 387	29 442	18 945	39 241	−3 236	63 209	57 429	30 854
1981	195 246	280 747	137 559	48 250	29 623	18 627	35 661	−2 655	61 932	55 462	30 039
1982	199 382	287 853	139 390	48 917	29 836	19 081	37 906	−1 023	62 663	57 564	30 907
1983	206 245	298 680	144 812	50 201	30 351	19 850	39 833	672	63 162	60 456	31 979
1977 *1*	47 522	67 468	30 779	11 344	6 883	4 464	9 646	1 087	14 625	13 021	6 812
2	47 927	68 298	30 887	11 497	7 012	4 491	10 142	812	14 971	13 412	6 776
3	48 006	68 124	31 220	11 422	6 973	4 454	9 945	71	15 468	13 035	7 021
4	48 916	68 854	31 760	11 471	7 008	4 470	10 118	668	14 849	12 783	7 154
1978 *1*	48 612	69 884	32 574	11 585	6 991	4 594	10 378	383	14 964	13 705	7 567
2	50 143	70 914	32 621	11 654	7 049	4 605	10 557	787	15 295	13 264	7 507
3	49 432	70 891	33 172	11 664	7 053	4 611	10 247	440	15 368	13 811	7 648
4	49 813	70 848	33 118	11 825	7 091	4 734	10 028	480	15 397	13 487	7 548
1979 *1*	48 845	70 568	33 677	11 804	7 110	4 694	10 127	852	14 108	13 895	7 828
2	51 174	74 654	35 323	11 977	7 198	4 779	10 330	279	16 745	15 345	8 135
3	51 030	73 921	34 309	11 953	7 171	4 782	10 455	1 040	16 164	15 261	7 630
4	50 407	73 713	34 695	11 949	7 152	4 797	10 499	319	16 251	15 407	7 899
1980 *1*	49 769	73 290	34 911	12 079	7 270	4 809	10 238	− 501	16 563	15 557	7 964
2	49 233	71 815	34 128	11 999	7 291	4 708	9 989	− 135	15 834	14 956	7 626
3	48 837	70 016	34 134	12 086	7 392	4 694	9 645	−1 201	15 352	13 635	7 544
4	48 803	69 804	34 151	12 223	7 489	4 734	9 369	−1 399	15 460	13 281	7 720
1981 *1*	49 336	69 687	34 458	12 073	7 427	4 646	8 996	−1 010	15 170	12 802	7 549
2	48 406	69 217	34 383	12 066	7 449	4 617	8 818	−1 329	15 279	13 378	7 433
3	48 297	70 715	34 297	12 095	7 387	4 708	8 846	− 182	15 659	14 807	7 611
4	49 207	71 128	34 421	12 016	7 360	4 656	9 001	− 134	15 824	14 475	7 446
1982 *1*	49 593	71 600	34 263	12 135	7 463	4 672	9 443	58	15 701	14 357	7 650
2	49 668	72 167	34 605	12 163	7 430	4 733	9 220	231	15 948	14 793	7 706
3	49 397	71 349	34 949	12 174	7 436	4 738	9 600	− 620	15 246	14 187	7 765
4	50 724	72 737	35 573	12 445	7 507	4 938	9 643	− 692	15 768	14 227	7 786
1983 *1*	51 923	74 492	35 505	12 624	7 590	5 034	9 985	601	15 777	14 686	7 883
2	51 051	73 969	36 095	12 571	7 570	5 001	9 686	− 39	15 656	14 941	7 977
3	51 016	74 075	36 527	12 460	7 569	4 891	9 826	− 121	15 383	15 009	8 050
4	52 255	76 144	36 685	12 546	7 622	4 924	10 336	231	16 346	15 820	8 069
1984 *1*	52 405	76 249	36 224	12 617	7 628	4 989	10 977	− 248	16 679	15 804	8 040
	Percentage change, quarter on corresponding quarter of previous year										
1979 *1*	*0.5*	*1.0*	*3.4*	*1.9*	*1.7*	*2.2*	*− 2.4*	..	*− 5.7*	*1.4*	*3.5*
2	*2.1*	*5.3*	*8.3*	*2.8*	*2.1*	*3.8*	*− 2.2*	..	*9.5*	*15.7*	*8.4*
3	*3.2*	*4.3*	*3.4*	*2.5*	*1.7*	*3.7*	*2.0*	..	*5.2*	*10.5*	*−0.2*
4	*1.2*	*4.0*	*4.8*	*1.0*	*0.9*	*1.3*	*4.7*	..	*5.5*	*14.2*	*4.7*
1980 *1*	*1.9*	*3.9*	*3.7*	*2.3*	*2.3*	*2.5*	*1.1*	..	*17.4*	*12.0*	*1.7*
2	*−3.8*	*−3.8*	*−3.4*	*0.2*	*1.3*	*−1.5*	*− 3.3*	..	*− 5.4*	*− 2.5*	*−6.3*
3	*−4.3*	*−5.3*	*−0.5*	*1.1*	*3.1*	*−1.8*	*− 7.7*	..	*− 5.0*	*−10.7*	*−1.1*
4	*−3.2*	*−5.3*	*−1.6*	*2.3*	*4.7*	*−1.3*	*−10.8*	..	*− 4.9*	*−13.8*	*−2.3*
1981 *1*	*−0.9*	*−4.9*	*−1.3*	*−0.1*	*2.2*	*−3.4*	*−12.1*	..	*− 8.4*	*−17.7*	*−5.2*
2	*−1.7*	*−3.6*	*0.7*	*0.6*	*2.2*	*−1.9*	*−11.7*	..	*− 3.5*	*−10.6*	*−2.5*
3	*−1.1*	*1.0*	*0.5*	*0.1*	*−0.1*	*0.3*	*− 8.3*	..	*2.0*	*8.6*	*0.9*
4	*0.8*	*1.9*	*0.8*	*−1.7*	*−1.7*	*−1.6*	*− 3.9*	..	*2.4*	*9.0*	*−3.6*
1982 *1*	*0.5*	*2.7*	*−0.6*	*0.5*	*0.5*	*0.6*	*5.0*	..	*3.5*	*12.1*	*1.3*
2	*2.6*	*4.3*	*0.6*	*0.8*	*−0.3*	*2.5*	*4.6*	..	*4.4*	*10.6*	*3.7*
3	*2.3*	*0.9*	*1.9*	*0.7*	*0.7*	*0.6*	*8.5*	..	*− 2.6*	*− 4.2*	*2.0*
4	*3.1*	*2.3*	*3.3*	*3.6*	*2.0*	*6.1*	*7.1*	..	*− 0.4*	*− 1.7*	*4.6*
1983 *1*	*4.7*	*4.0*	*3.6*	*4.0*	*1.7*	*7.7*	*5.7*	..	*0.5*	*2.3*	*3.0*
2	*2.8*	*2.5*	*4.3*	*3.4*	*1.9*	*5.7*	*5.1*	..	*− 1.8*	*1.0*	*3.5*
3	*3.3*	*3.8*	*4.5*	*2.4*	*1.8*	*3.2*	*2.4*	..	*0.9*	*5.8*	*3.7*
4	*3.0*	*4.7*	*3.1*	*0.8*	*1.5*	*−0.3*	*7.2*	..	*3.7*	*11.2*	*3.6*
1984 *1*	*0.9*	*2.4*	*2.0*	*−0.1*	*0.5*	*−0.9*	*9.9*	..	*5.7*	*7.6*	*2.0*

[1] For years up to and including 1977 totals differ from the sum of the components because of the method used to rebase on 1980 prices.


Expenditure on the gross domestic product
1980 prices seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Export of goods and services
Imports of goods and services
1979
1980
1981
1982
1983
1984

Personal disposable income and consumption

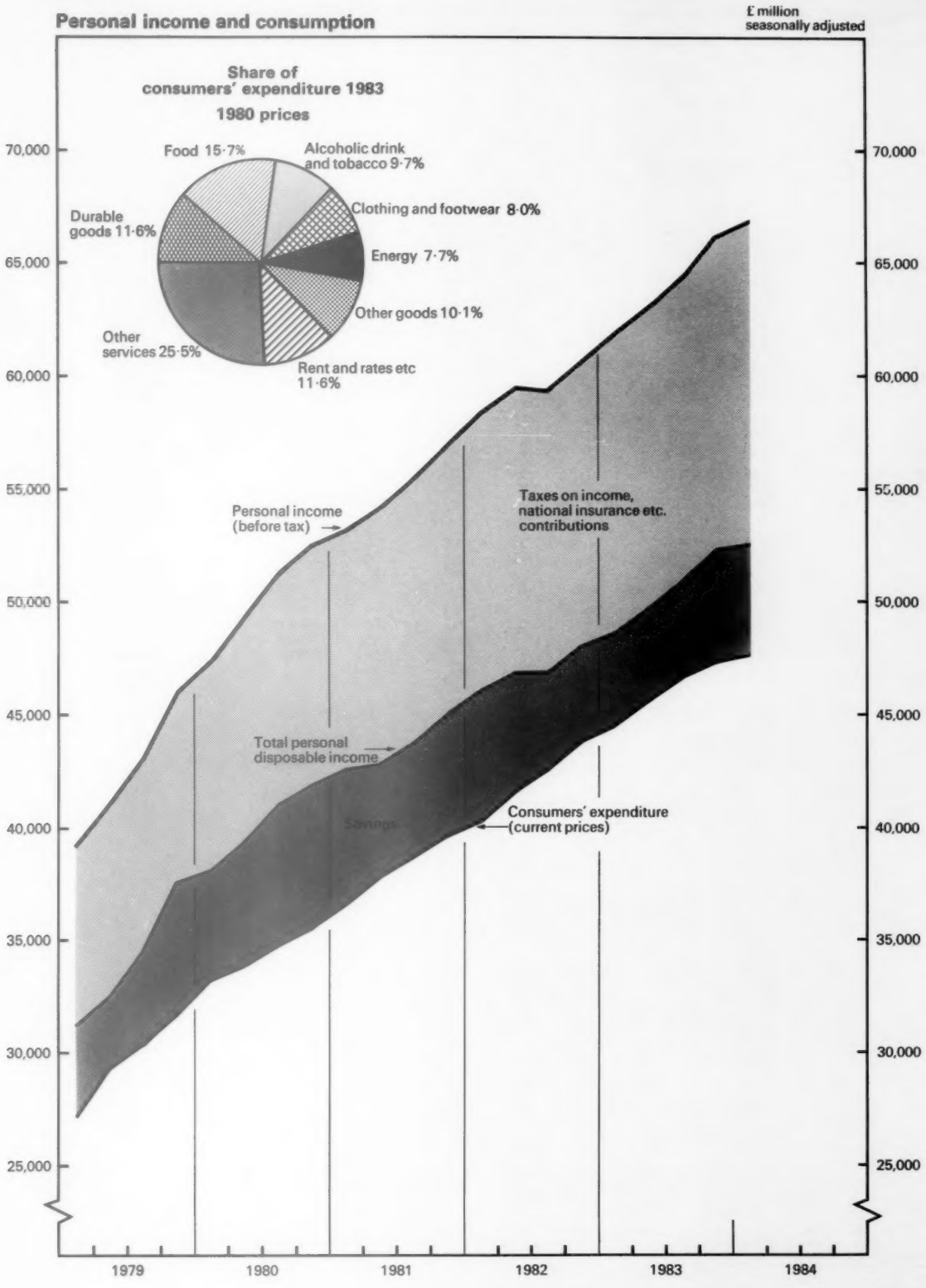
	Seasonally adjusted							
	£ million, current prices				Percentage	1980 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure[3]	Personal saving ratio[4]	Real personal disposable income[5]		Real consumers' expenditure§[3]
	Total[1]	*of which:* Wages, salaries and forces pay				£ million§	1980 = 100	£ million
1976	111 634	67 622	85 814	75 792	11.7	141 639	88.2	125 097
1977	124 576	74 741	96 919	86 712	10.5	139 318	86.7	124 646
1978	143 001	85 466	113 319	99 596	12.1	149 602	93.1	131 485
1979	169 330	99 859	135 924	118 503	12.8	158 292	98.6	138 004
1980	200 640	118 150	160 589	137 324	14.5	160 589	100.0	137 324
1981	219 234	126 760	174 258	153 099	12.1	156 570	97.5	137 559
1982	237 994	135 565	188 069	168 390	10.5	155 680	96.9	139 390
1983	256 482	145 062	201 611	184 456	8.5	158 280	98.6	144 812
1980 *1*	47 353	28 071	38 156	33 228	12.9	40 104	99.9	34 911
2	49 398	29 275	39 433	33 879	14.1	39 738	99.0	34 128
3	51 311	30 165	41 028	34 717	15.4	40 354	100.5	34 134
4	52 578	30 639	41 972	35 500	15.4	40 393	100.6	34 151
1981 *1*	53 094	30 872	42 645	36 690	14.0	40 039	99.7	34 458
2	54 036	31 258	42 811	37 881	11.5	38 846	96.8	34 383
3	55 343	31 950	43 754	38 755	11.4	38 710	96.4	34 297
4	56 761	32 680	45 048	39 773	11.7	38 975	97.1	34 421
1982 *1*	58 430	33 297	46 135	40 334	12.6	39 179	97.6	34 263
2	59 452	33 728	46 941	41 608	11.4	39 029	97.2	34 605
3	59 435	33 973	46 968	42 559	9.4	38 558	96.0	34 949
4	60 677	34 567	48 025	43 889	8.6	38 914	96.9	35 573
1983 *1*	61 873	35 555	48 636	44 559	8.4	38 755	96.5	35 505
2	63 060	35 900	49 766	45 671	8.2	39 333	98.0	36 095
3	64 333	36 371	50 826	46 734	8.1	39 727	99.0	36 527
4	66 216	37 236	52 383	47 492	9.3	40 465	100.8	36 685
1984 *1*	66 872	37 785	52 552	47 715	9.2	39 896	99.4	36 224

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
[4] Personal saving as a percentage of personal disposable income.
[5] Personal income revalued by the implied consumers' expenditure deflator (1980 = 100).

Real consumers' expenditure—component categories

	Seasonally adjusted								
	£ million, 1980 prices[1]								
			Other goods					Other services	
	Total	Durable goods: total	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent and rates etc.	Other services[2]
1976	125 097	11 367	22 159	14 239	8 297	10 347	13 401	14 937	30 411
1977	124 646	10 654	21 883	14 173	8 419	10 533	13 457	15 228	30 371
1978	131 485	12 109	22 501	15 098	9 213	10 759	14 424	15 512	31 869
1979	138 004	13 930	22 893	15 517	9 878	11 114	14 824	15 787	34 061
1980	137 324	13 019	22 873	14 963	9 733	10 957	14 220	16 040	35 519
1981	137 559	13 415	22 676	14 265	10 039	10 992	14 182	16 263	35 727
1982	139 390	14 483	22 570	13 768	10 581	11 038	14 323	16 531	36 096
1983	144 812	16 875	22 772	14 088	11 602	11 129	14 569	16 781	36 996
1980 *1*	34 911	3 530	5 843	3 836	2 458	2 781	3 639	3 990	8 834
2	34 128	3 214	5 746	3 725	2 421	2 641	3 560	4 003	8 818
3	34 134	3 169	5 668	3 686	2 424	2 749	3 507	4 016	8 915
4	34 151	3 106	5 616	3 716	2 430	2 786	3 514	4 031	8 952
1981 *1*	34 458	3 309	5 697	3 691	2 492	2 735	3 544	4 045	8 945
2	34 383	3 428	5 629	3 533	2 484	2 747	3 544	4 060	8 958
3	34 297	3 352	5 676	3 551	2 499	2 705	3 546	4 073	8 895
4	34 421	3 326	5 674	3 490	2 564	2 805	3 548	4 085	8 929
1982 *1*	34 263	3 273	5 568	3 477	2 583	2 748	3 555	4 107	8 952
2	34 605	3 437	5 733	3 420	2 601	2 751	3 567	4 127	8 969
3	34 949	3 698	5 570	3 401	2 660	2 775	3 603	4 139	9 103
4	35 573	4 075	5 699	3 470	2 737	2 764	3 598	4 158	9 072
1983 *1*	35 505	4 052	5 595	3 481	2 745	2 759	3 610	4 173	9 090
2	36 095	4 079	5 716	3 482	2 910	2 876	3 630	4 188	9 214
3	36 527	4 308	5 652	3 573	2 948	2 766	3 645	4 206	9 429
4	36 685	4 436	5 809	3 552	2 999	2 728	3 684	4 214	9 263
1984 *1*	36 224	4 063	5 615	3 551	2 947	2 870	3 632	4 229	9 317

[1] For the years prior to 1978, the total differs from the sum of the components due to the method of rebasing to 1980 prices.
[2] Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1983
1980 prices
Food 15·7%
Alcoholic drink
and tobacco 9·7%
Clothing and footwear 8·0%
Energy 7·7%
Other goods 10·1%
Rent and rates etc
11·6%
Other
services 25·5%
Durable
goods 11·6%
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
1979
1980
1981
1982
1983
1984

Retail sales, new registrations of cars and consumer credit (Great Britain)

	Seasonally adjusted										
	Weekly average 1980 = 100							Thousands[1]	£ million		
	Value of retail sales[2]	Volume of retail sales[2]							Consumer credit	Hire purchase and other credit business[3]	
	Total[4]	Total[4]	Food retailers[4]	Mixed retail businesses[4]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5§]	Change in total outstanding	New credit extended	Change in amounts outstanding[6]
Sales in 1980 £ million	57 406	57 406	22 556	10 913	5 281	8 923	9 733				
1975	50.8	93.5	96.0	89.2	91	82	104	96.5	..	2 981	– 13
1976	58.2	93.1	93.1	91.3	90	85	104	106.5	341	3 474	+ 348
1977	66.5	91.5	91.2	90.9	85	86	101	109.4	729	4 735	+ 935
1978	76.1	96.4	92.3	98.6	96	94	106	131.6	1 475	6 167	+1 547
1979	88.8	100.6	95.9	103.3	102	102	107	142.1	2 060	7 351	+1 766
1980	100.0	100.0	100.0	100.0	100	100	100	126.6	1 643	7 819	+1 184
1981	108.2	100.4	100.7	100.9	100	101	98	124.6	2 491	7 854	+ 676
1982	116.9	102.5	101.6	104.5	106	105	98	132.0	2 606	9 109	+1 631
1983	127.7	107.9	105.9	110.2	116	116	98	150.5	3 223	10 524	+2 725
1981 *1*	106.4	101.9	102.2	102.3	101	103	100	119.3	578	1 888	+ 124
2	107.0	100.1	100.7	99.5	99	101	99	123.6	582	1 942	+ 155
3	109.3	100.5	100.7	100.7	100	102	99	125.9	687	2 006	+ 117
4	110.1	99.2	99.2	101.1	101	100	96	129.4	644	2 018	+ 280
1982 *1*	114.5	101.8	101.1	103.3	105	102	100	118.0	525	2 103	+ 277
2	115.1	101.3	101.2	102.3	105	101	99	125.0	469	2 167	+ 337
3	117.6	102.9	101.7	105.5	106	107	97	138.6	723	2 362	+ 534
4	120.5	103.9	102.5	106.9	108	109	97	146.4	889	2 477	+ 483
1983 *1*	122.8	105.5	104.1	107.3	110	113	98	143.8	771	2 520	+ 670
2	126.0	107.3	104.9	109.4	116	116	98	149.0	767	2 540	+ 591
3	129.2	108.3	106.4	110.5	117	117	98	156.8	806	2 646	+ 577
4	133.0	110.3	108.1	113.6	119	119	99	152.4	879	2 818	+ 887
1984 *1*	131.4	108.5	107.1	110.5	117	116	98	144.9	987	2 918	+ 804
2								153.6		2 870	+ 490
1982 *J*	115.3	101.4	101.5	102.4	106	102	98	124.7	..	728	+ 87
J	115.6	101.4	101.0	103.0	105	104	97	131.5	..	716	+ 98
A	118.9	104.1	101.7	108.9	107	109	98	147.6	..	819	+ 237
S	118.2	103.0	102.3	104.8	107	107	97	136.8	..	827	+ 199
O	119.2	103.4	102.1	105.6	107	108	97	150.8	..	797	+ 152
N	120.2	103.8	102.5	106.5	108	108	97	142.9	..	835	+ 206
D	121.8	104.5	102.7	108.4	109	110	97	145.6	..	845	+ 125
1983 *J*	121.6	105.2	103.4	108.2	108	112	98	144.8	..	860	+ 233
F	122.7	105.1	104.0	106.1	110	113	96	146.1	..	812	+ 217
M	123.9	106.0	104.8	107.5	112	112	98	140.6	..	848	+ 220
A	125.4	107.1	105.2	108.5	114	117	97	143.8	..	807	+ 136
M	126.0	107.4	105.1	109.5	115	117	98	147.4	..	865	+ 205
J	126.6	107.4	104.6	110.1	119	115	98	155.9	..	868	+ 250
J	126.9	107.0	106.1	105.7	117	115	98	152.4	..	828	+ 239
A	128.6	107.6	106.3	109.8	108	118	98	174.2	..	926	+ 124
S	131.4	110.0	106.7	115.0	125	117	98	143.9	..	892	+ 214
O	130.7	109.0	107.1	109.9	116	119	100	149.3	..	878	+ 265
N	133.4	110.9	108.5	114.6	119	119	100	150.5	..	959	+ 243
D	134.4	111.0	108.7	115.7	120	119	99	157.3	..	981	+ 379
1984 *J*	129.2	107.7	106.2	109.5	115	116	98	139.5	..	969	+ 250
F	132.9	109.5	107.6	112.5	119	118	98	164.1	..	1 007	+ 300
M	132.0	108.3	107.3	109.6	118	115	98	131.2	..	942	+ 254
A	137.3	112.2	108.7	115.3	129	120	101	149.1	..	914	+ 177
M	135.7	110.7	107.3	111.4	123	121	101	147.0	..	1 031	+ 231
J	137.6	112.1	108.0	115.3	129	121	100	164.8	..	925	+ 82

[1] Monthly averages.

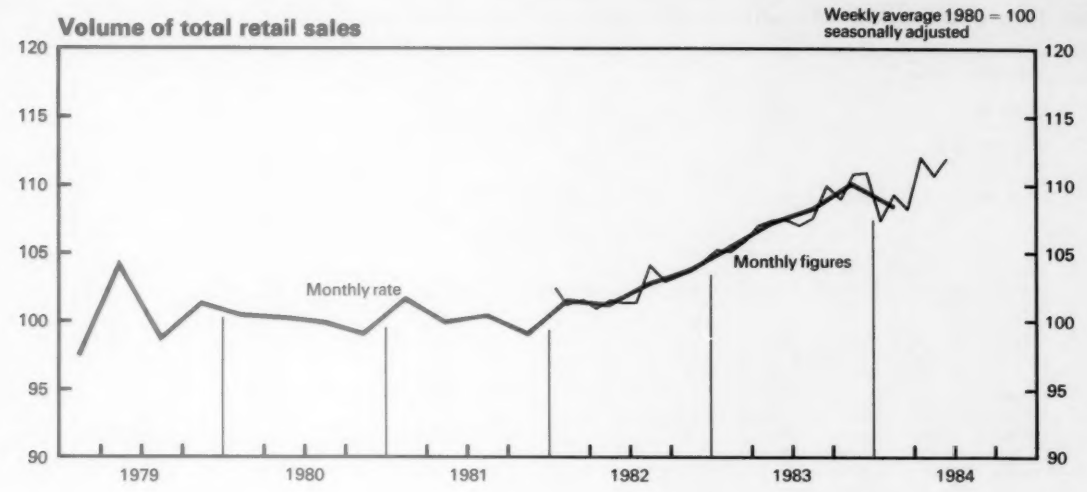
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.

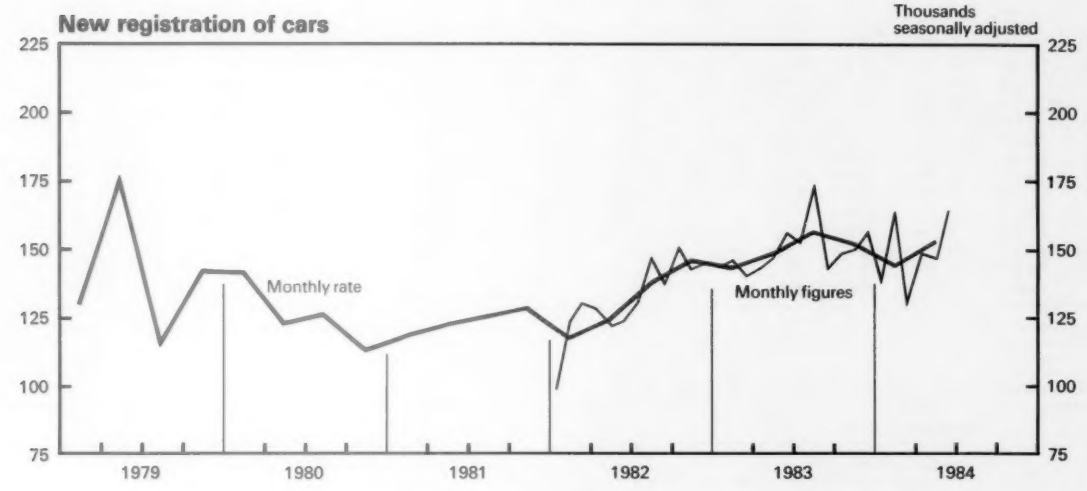
[3] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. clothing retailers, household goods retailers, mixed retail businesses (other than co-operative societies) and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108-109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

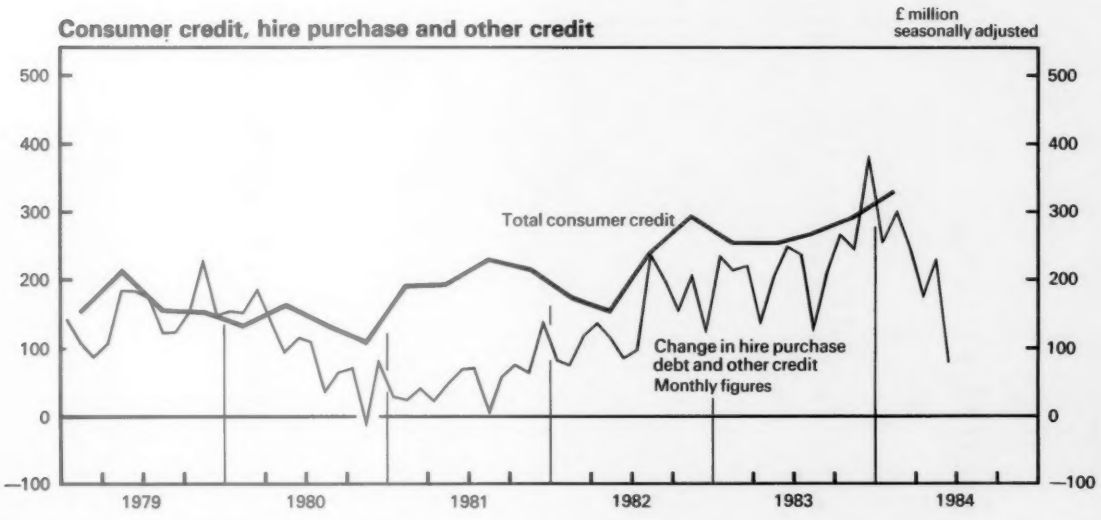
[4] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[5] Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly effect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.

[6] Including further interest payments due over the whole period of the loans.


Volume of total retail sales
Weekly average 1980 = 100
seasonally adjusted
120
115
110
105
100
95
90
Monthly rate
Monthly figures
1979
1980
1981
1982
1983
1984


New registration of cars
Thousands
seasonally adjusted
225
200
175
150
125
100
75
Monthly rate
Monthly figures
1979
1980
1981
1982
1983
1984


Consumer credit, hire purchase and other credit
£ million
seasonally adjusted
500
400
300
200
100
0
—100
Total consumer credit
Change in hire purchase
debt and other credit
Monthly figures
1979
1980
1981
1982
1983
1984

Gross domestic product and shares of income and expenditure

	Seasonally adjusted														
	£ million			Per cent											
	Gross domestic product at current factor cost			Percentage share of total final expenditure							Percentage share of gross domestic product (income based)				
						Gross fixed investment						Gross trading profits			
	Expenditure based	Income based	Total final expenditure (current market prices)	Consumers' expenditure	General government consumption	General government	Public corporation	Private sector	Exports	Income from employment	Companies[1]	Other[1,2]	Income from self-employment[1]	Other income[3]
1975	94 976	94 332	134 427	48.6	17.1	3.7	2.9	8.6	20.2	72.5	8.1	3.0	8.8	7.7
1976	112 631	109 910	162 506	46.7	16.5	3.3	2.9	8.4	21.8	70.8	8.6	3.9	8.9	7.8
1977	128 072	127 681	187 370	46.3	15.6	2.6	2.6	8.7	23.3	67.5	12.6	3.8	8.6	7.5
1978	147 207	146 962	212 013	47.0	15.6	2.2	2.3	9.6	22.6	67.0	13.6	3.6	8.5	7.4
1979	169 165	170 194	249 015	47.6	15.4	2.1	2.3	9.7	22.1	67.4	13.4	3.0	8.5	7.7
1980	196 642	198 452	284 925	48.2	17.0	2.0	2.4	9.5	22.2	68.5	12.6	3.0	8.2	7.8
1981	215 328	215 523	311 559	49.2	17.6	1.5	2.2	8.8	21.8	68.1	12.2	3.4	8.2	8.2
1982	233 996	235 512	342 654	49.2	17.5	1.4	2.1	8.9	21.4	66.4	13.3	3.8	8.4	8.2
1983	256 780	258 089	376 409	49.0	17.5	1.4	2.2	8.6	21.2	64.8	15.3	3.7	8.3	8.0
1980 *1*	46 510	47 682	69 309	47.9	16.0	1.9	2.3	9.7	23.0	67.5	13.8	3.1	15.7	
2	48 423	49 488	71 094	47.7	16.3	1.9	2.4	9.5	22.3	68.0	13.6	2.7	15.8	
3	50 107	49 945	71 468	48.6	17.6	2.0	2.4	9.5	21.8	69.5	11.3	2.9	16.3	
4	51 602	51 337	73 054	48.6	17.9	2.0	2.3	9.4	21.6	68.8	11.7	3.2	16.3	
1981 *1*	52 960	51 642	74 270	49.4	17.7	1.8	2.3	9.0	21.4	69.1	11.3	3.1	16.5	
2	53 210	52 611	76 116	49.8	17.7	1.6	2.3	8.7	21.6	68.8	11.4	3.5	16.4	
3	53 910	54 680	79 577	48.7	17.5	1.3	2.1	8.8	22.0	67.7	12.4	3.6	16.3	
4	55 248	56 590	81 596	48.7	17.3	1.3	2.1	8.7	22.1	66.9	13.6	3.3	16.2	
1982 *1*	56 009	56 622	82 984	48.6	17.5	1.5	2.2	9.0	21.6	68.0	11.5	3.9	16.7	
2	58 213	58 563	85 496	48.7	17.4	1.2	2.1	8.8	21.5	66.5	13.5	3.6	16.6	
3	58 721	59 507	85 785	49.6	17.5	1.4	2.1	9.1	21.0	65.8	13.8	3.8	16.6	
4	61 053	60 820	88 389	49.7†	17.5	1.3	2.1	8.8	21.4	65.3	14.5	3.7	16.5	
1983 *1*	63 273	62 755	92 344	48.3	17.7	1.6	2.2	8.5	21.1	65.2	14.8	3.8	16.3	
2	62 925	63 505	92 640	49.3	17.6†	1.2	2.1	8.6†	21.1†	65.2	14.5	4.1	16.3	
3	64 277	65 142	93 970	49.7	17.4	1.5	2.2	8.5	20.8	64.4	15.9	3.5	16.3	
4	66 305	66 687	97 455	48.7	17.1	1.4	2.1	8.8	21.6	64.4	15.9	3.5	16.2	
1984 *1*	66 841	68 357	98 657	48.4	17.0	1.8	2.1	9.2	22.1	63.8	16.7	3.3	16.2	

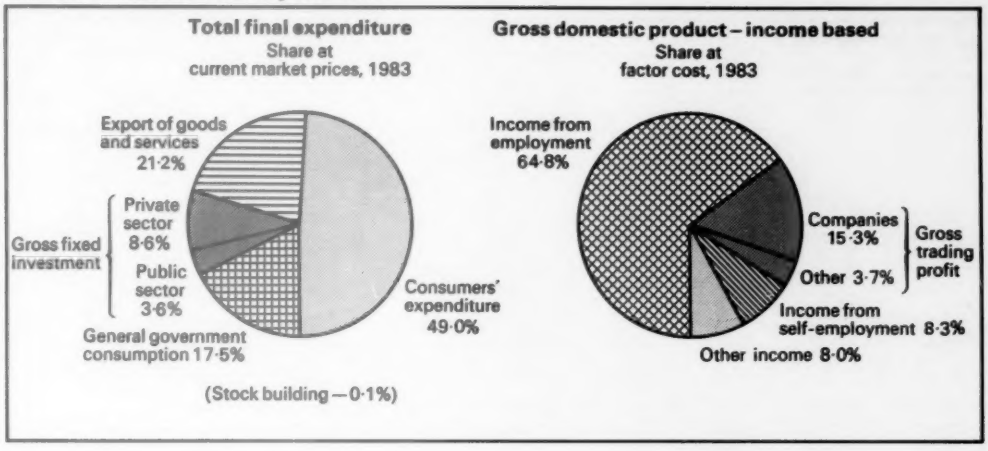
[1] After providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises.
[3] Rent income, and imputed charge for consumption of non-trading capital.

Income, product and spending *per capita*

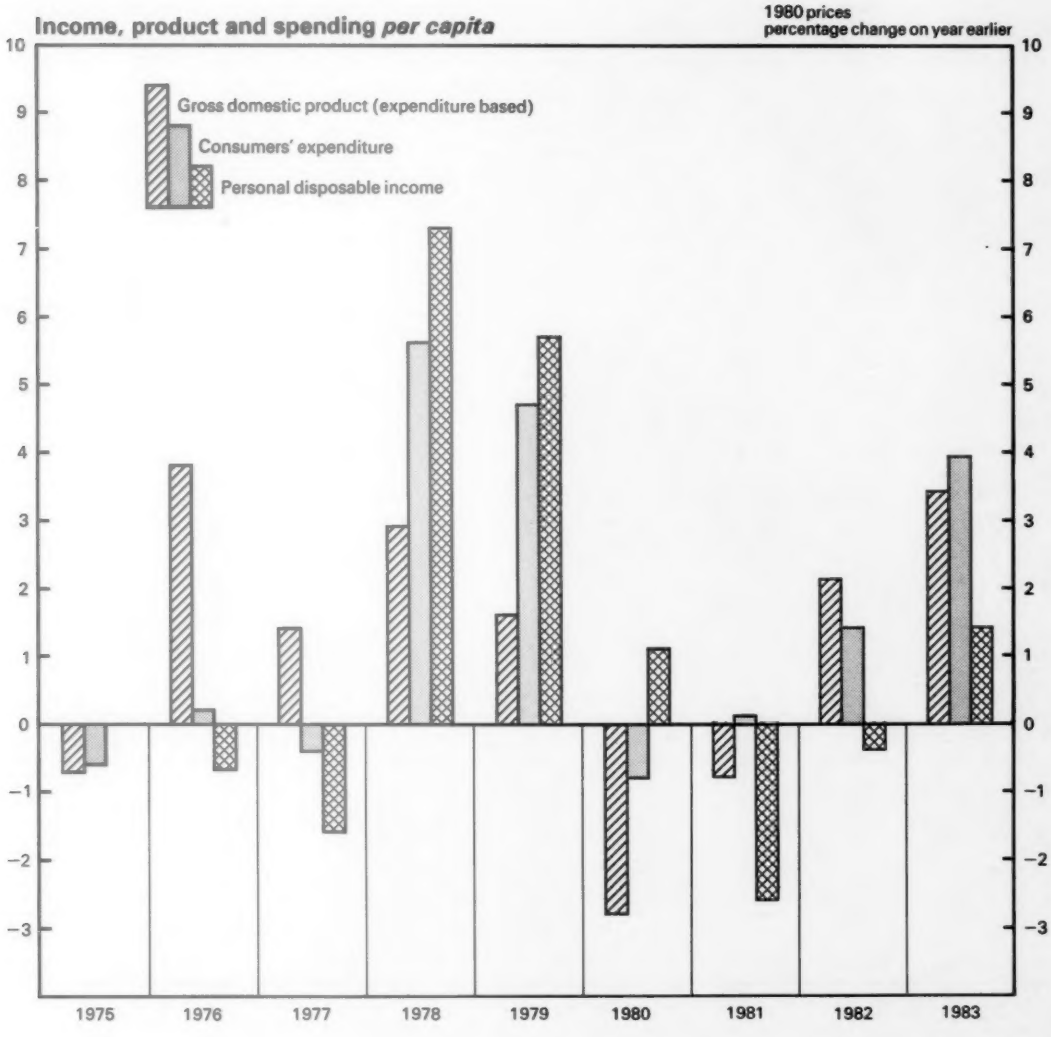
	Seasonally adjusted						
	£, current prices				£, 1980 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1975	1 703	1 690	1 162	1 328	3 253	2 221	2 537
1976	2 028	2 004	1 349	1 527	3 376	2 226	2 520
1977	2 282	2 280	1 544	1 725	3 425	2 219	2 480
1978	2 633	2 621	1 773	2 018	3 526	2 341	2 664
1979	3 028	3 009	2 108	2 418	3 583	2 455	2 816
1980	3 491	3 492	2 439	2 852	3 493	2 439	2 852
1981	3 845	3 821	2 717	3 093	3 465	2 441	2 779
1982	4 182	4 153	2 989	3 338	3 539	2 474	2 763
1983	4 582	4 558	3 274	3 578	3 661	2 570	2 809
1980 *1*	825	826	590	678	884	621	713
2	858	860	602	700	875	606	706
3	890	890	617	729	867	606	716
4	918	916	630	745	867	606	717
1981 *1*	945	940	651	757	876	611	711
2	951	944	672	760	859	610	689
3	962	957	688	776	857	609	687
4	987	980	706	800	873	611	692
1982 *1*	996	994	716	819	880	608	695
2	1 041	1 033	739	833	882	614	693
3	1 050	1 042	755	834	877	620	684
4	1 095	1 084	779	857	900	632	691
1983 *1*	1 131	1 123	791	863	922	630	688
2	1 117	1 117	811	883	906	641	698
3	1 151	1 141	829	902	906	648	705
4	1 183	1 177	843	930	927	651	718
1984 *1*	1 191	1 186	847	933	930	643	708

[1] At factor cost.
[2] Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*



Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

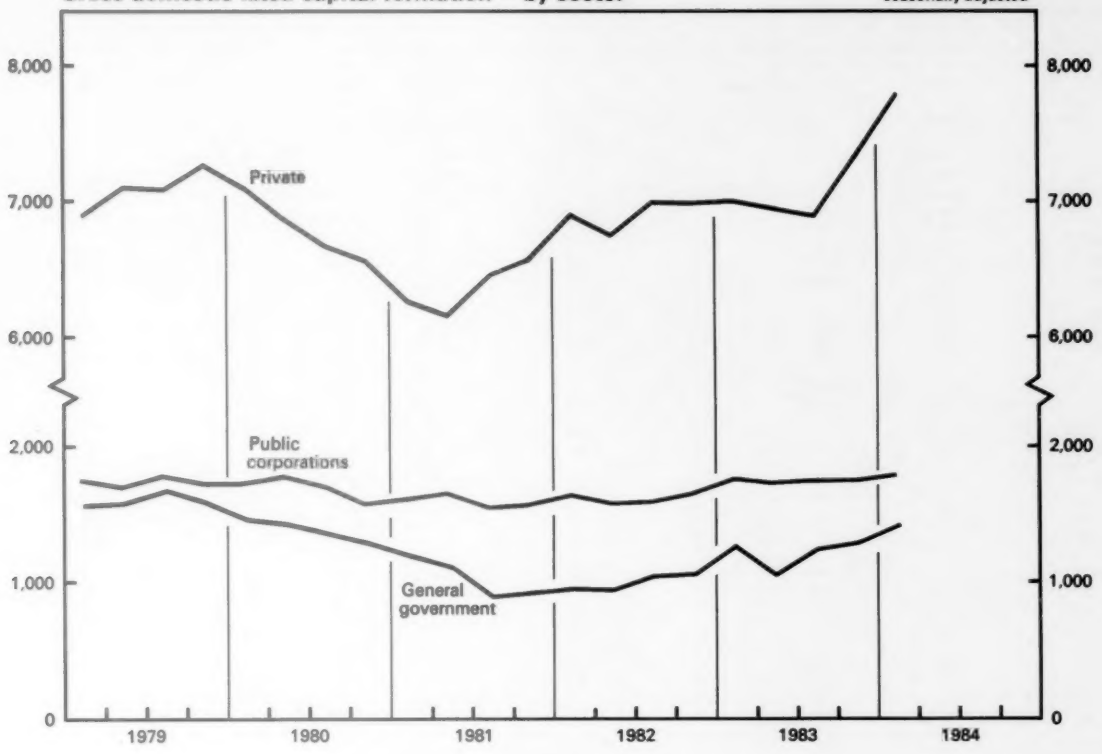
£ million, 1980 prices[1]

		Sector[2]			Type of asset					
					Dwellings					
						of which:		Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
		Total§	Private sector	General government	Public corporations	Total	Private	Public			
1973		41 798	24 437	10 940	6 203	8 058	4 994	3 088	16 329	5 107	12 476
1974		40 639	23 152	10 232	7 061	7 425	4 086	3 304	15 602	4 897	12 819
1975		40 297	22 965	9 411	7 764	8 052	4 449	3 567	15 763	4 293	12 276
1976		40 856	23 584	9 118	8 007	8 276	4 445	3 779	15 777	4 152	12 692
1977		39 851	24 887	7 575	7 328	7 577	4 139	3 398	14 797	4 687	12 833
1978		41 210	27 620	6 715	6 875	7 734	4 590	3 144	14 580	5 126	13 770
1979		41 411	28 225	6 421	6 765	7 134	4 258	2 876	14 141	5 283	14 853
1980		39 241	27 062	5 528	6 651	6 342	3 820	2 522	13 495	4 494	14 910
1981		35 661	25 294	4 104	6 263	4 828	3 154	1 674	13 025	3 592	14 216
1982		37 906	27 544	3 995	6 367	5 295	3 355	1 940	14 529	3 704	14 378
1983		39 833	28 105	4 846	6 882	6 110	4 123	1 987	14 978	3 871	14 874
1979	*1*	10 127	6 859	1 566	1 702	1 701	997	704	3 506	1 334	3 586
	2	10 330	7 087	1 577	1 666	1 773	1 069	704	3 479	1 435	3 643
	3	10 455	7 046	1 694	1 715	1 746	1 001	745	3 624	1 361	3 724
	4	10 499	7 233	1 584	1 682	1 914	1 191	723	3 532	1 153	3 900
1980	*1*	10 238	7 082	1 465	1 691	1 763	1 046	717	3 449	1 237	3 789
	2	9 989	6 828	1 415	1 746	1 632	985	647	3 373	1 213	3 771
	3	9 645	6 616	1 359	1 670	1 568	955	613	3 297	1 002	3 778
	4	9 369	6 536	1 289	1 544	1 379	834	545	3 376	1 042	3 572
1981	*1*	8 996	6 210	1 193	1 593	1 280	832	448	3 254	905	3 557
	2	8 818	6 106	1 101	1 611	1 192	759	433	3 141	940	3 545
	3	8 846	6 429	897	1 520	1 184	780	404	3 269	826	3 567
	4	9 001	6 549	913	1 539	1 172	783	389	3 361	921	3 547
1982	*1*	9 443	6 881	952	1 610	1 309	822	487	3 581	1 025	3 528
	2	9 220	6 705	953	1 562	1 282	819	463	3 452	838	3 648
	3	9 600	6 977	1 039	1 584	1 306	817	489	3 752	960	3 582
	4	9 643	6 981	1 051	1 611	1 399	898	501	3 743	881	3 620
1983	*1*	9 985	6 990	1 261	1 734	1 472	957	515	3 862	929	3 722
	2	9 686	6 912	1 066	1 708	1 484	1 042	442	3 604	931	3 667
	3	9 826	6 882	1 229	1 715	1 500	1 004	496	3 733	947	3 646
	4	10 336	7 321	1 290	1 725	1 654	1 120	534	3 779	1 064	3 839
1984	*1*	10 977	7 783	1 416	1 778	1 837	1 227	610	4 181	1 105	3 854
		Percentage change, quarter on corresponding quarter of previous year									
1979	*1*	*– 2.4*	*– 0.6*	*– 12.4*	*0.5*	*– 16.7*	*– 17.4*	*– 15.7*	*– 2.2*	*– 2.4*	*6.0*
	2	*– 2.1*	*– 0.3*	*– 6.7*	*– 5.1*	*– 7.0*	*– 6.0*	*– 8.3*	*– 9.1*	*7.1*	*4.6*
	3	*2.0*	*2.7*	*2.0*	*– 0.4*	*– 9.3*	*– 9.1*	*– 9.6*	*1.1*	*6.2*	*7.7*
	4	*4.7*	*7.2*	*0.5*	*– 1.3*	*2.9*	*4.1*	*0.8*	*– 1.4*	*1.3*	*13.2*
1980	*1*	*1.1*	*3.3*	*– 6.4*	*– 0.7*	*3.7*	*4.9*	*1.8*	*– 1.6*	*– 7.2*	*5.7*
	2	*– 3.3*	*– 3.7*	*– 10.3*	*4.8*	*– 8.0*	*– 7.8*	*– 8.1*	*– 3.1*	*– 15.5*	*3.5*
	3	*– 7.7*	*– 6.1*	*– 19.8*	*– 2.6*	*– 10.2*	*– 4.6*	*– 17.7*	*– 9.0*	*– 26.4*	*1.4*
	4	*– 10.8*	*– 9.6*	*– 18.6*	*– 8.2*	*– 28.0*	*– 30.0*	*– 24.6*	*– 4.4*	*– 9.6*	*– 8.4*
1981	*1*	*– 12.1*	*– 12.3*	*– 18.5*	*– 5.8*	*– 27.4*	*– 20.5*	*– 37.5*	*– 5.7*	*– 26.8*	*– 6.1*
	2	*– 11.7*	*– 10.6*	*– 22.2*	*– 7.7*	*– 27.0*	*– 22.9*	*– 33.1*	*– 6.9*	*– 22.5*	*– 6.0*
	3	*– 8.3*	*– 2.8*	*– 34.0*	*– 9.0*	*– 24.5*	*– 18.3*	*– 34.1*	*– 0.8*	*– 17.6*	*– 5.6*
	4	*– 4.0*	*0.2*	*– 29.2*	*– 0.3*	*– 15.0*	*– 6.1*	*– 28.6*	*– 0.4*	*– 11.6*	*– 0.7*
1982	*1*	*5.0*	*10.8*	*– 20.2*	*1.1*	*2.3*	*– 1.2*	*8.7*	*10.0*	*13.3*	*– 0.8*
	2	*4.6*	*9.8*	*– 13.4*	*– 3.1*	*7.5*	*7.9*	*6.9*	*9.9*	*– 10.9*	*2.9*
	3	*8.5*	*8.5*	*15.8*	*4.2*	*10.3*	*4.7*	*21.1*	*14.8*	*16.2*	*0.4*
	4	*7.1*	*6.6*	*15.1*	*4.7*	*19.4*	*14.7*	*28.8*	*11.4*	*– 4.3*	*2.1*
1983	*1*	*5.7*	*1.6*	*32.5*	*7.7*	*12.5*	*16.4*	*5.7*	*7.8*	*– 9.4*	*5.5*
	2	*5.1*	*3.1*	*11.9*	*9.3*	*15.8*	*27.2*	*– 4.5*	*4.4*	*11.1*	*0.5*
	3	*2.4*	*– 1.4*	*18.3*	*8.3*	*14.9*	*22.9*	*1.4*	*– 0.5*	*– 1.4*	*1.8*
	4	*7.2*	*4.9*	*22.7*	*7.1*	*18.2*	*24.7*	*6.6*	*1.0*	*20.8*	*6.1*
1984	*1*	*9.9*	*11.3*	*12.3*	*2.5*	*24.8*	*28.2*	*18.4*	*8.3*	*18.9*	*3.5*

[1] For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
[2] Including purchases *less* sales of land and existing buildings.
[3] Including transfer costs of land and buildings.

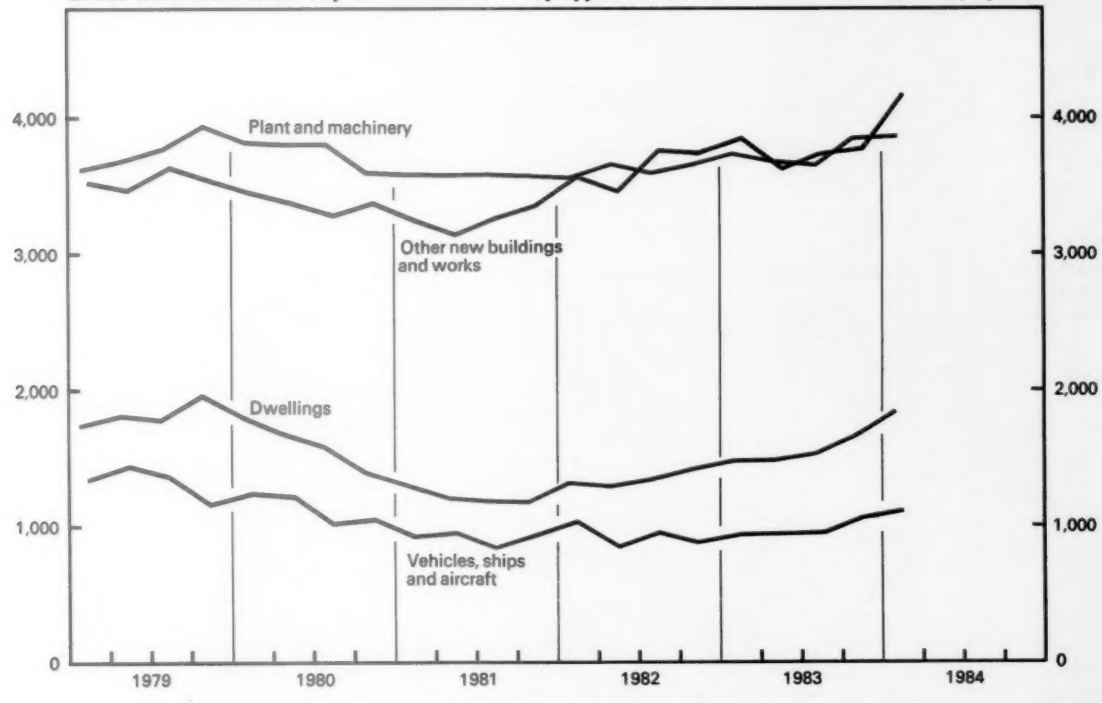
Gross domestic fixed capital formation – by sector

£ million 1980 prices seasonally adjusted



Gross domestic fixed capital formation – by type of asset

£ million 1980 prices seasonally adjusted



Indicators of fixed investment by manufacturing industry (revised definition)

	Gross fixed investment by manufacturing industry (excluding leased assets)							New orders received by contractors for private industrial work (GB)
		Plant and machinery			New building and works			
	Total§	Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
	£ million, 1980 prices, seasonally adjusted	£ million, 1980 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1980 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1980 prices, seasonally adjusted
1974	7 432	5 401	*+13*	..	1 383	*– 1*	..	2 416
1975	6 779	5 026	*– 7*	..	1 283	*– 7*	..	1 536
1976	6 470	4 869	*– 3*	..	1 053	*–18*	..	1 790
1977	6 774	4 991	*+ 2*	..	1 136	*+ 8*	..	2 144
1978	7 220	5 319	*+ 7*	..	1 277	*+12*	..	2 241
1979	7 496	5 554	*+ 4*	..	1 305	*+ 2*	..	2 241
1980	6 471	4 953	*–11*	..	1 051	*–19*	..	1 803
1981	4 852	3 708	*–25*	..	767	*–27*	..	1 611
1982	4 684	3 631	*– 2*	..	654	*–15*	..	1 364
1983	4 619	3 679	*+ 1*	..	531	*–19*	..	1 602
1979 *1*	1 889	1 381	*+ 5*	12	349	*+13*	– 7	525
2	1 860	1 375	*+ 2*	12	322	*+ 3*	– 6	576
3	1 875	1 386	*+ 5*	8	333	*+ 3*	– 9	553
4	1 871	1 412	*+ 6*	– 9	300	*– 9*	–20	586
1980 *1*	1 757	1 355	*– 2*	–18	259	*–26*	–30	471
2	1 696	1 290	*– 6*	–18	286	*–11*	–31	490
3	1 602	1 226	*–11*	–43	266	*–20*	–47	423
4	1 416	1 082	*–23*	–46	241	*–20*	–49	420
1981 *1*	1 300	983	*–27*	–38	229	*–12*	–46	346
2	1 210	923	*–28*	–30	197	*–31*	–40	379
3	1 176	917	*–25*	–23	165	*–38*	–35	483
4	1 167	886	*–18*	–13	175	*–27*	–33	403
1982 *1*	1 184	906	*– 8*	– 5	178	*–22*	–25	356
2	1 171	910	*– 1*	– 2	160	*–19*	–25	335
3	1 167	905	*– 1*	–11	158	*– 4*	–26	353
4	1 162	909	*+ 3*	–20	157	*–10*	–33	321
1983 *1*	1 112	892	*– 1*	– 5	127	*–29*	–26	422
2	1 119	893	*– 2*	6	127	*–21*	–15	376
3	1 140	901	*–*	18	137	*–13*	– 5	438
4	1 247	993	*+ 9*	12	139	*–11*	– 8	365
1984 *1*	1 317	1 026	*+15*	20	166	*+31*	– 5	551
2[2]	*1 349*	*1 061*	*+19*	21	166	*+31*	– 3	530
3				14			– 5	

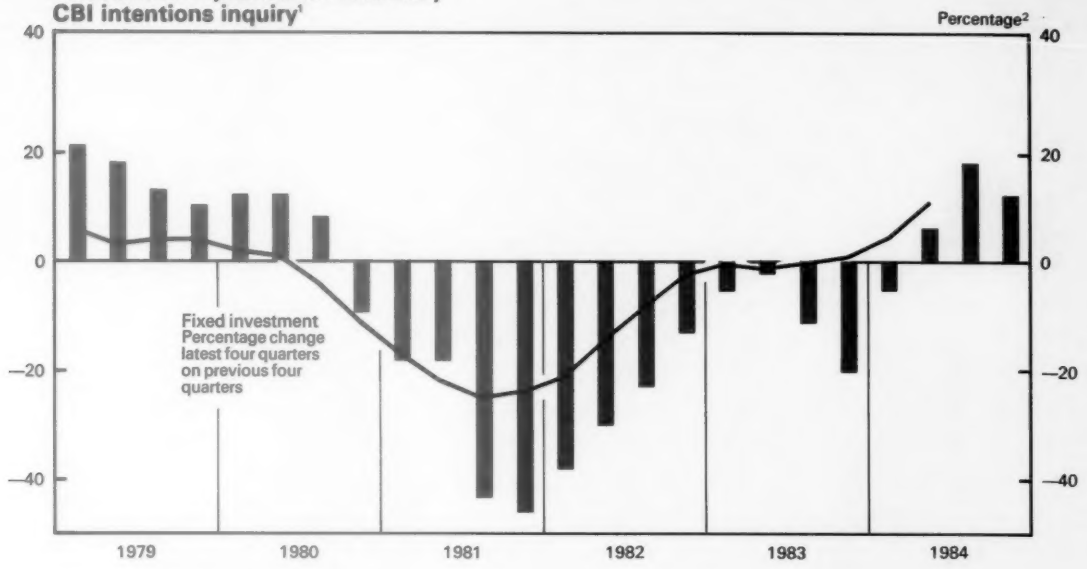
[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
[2] Provisional.

Department of Trade and Industry inquiry into investment intentions: manufacturing industry[1,2]

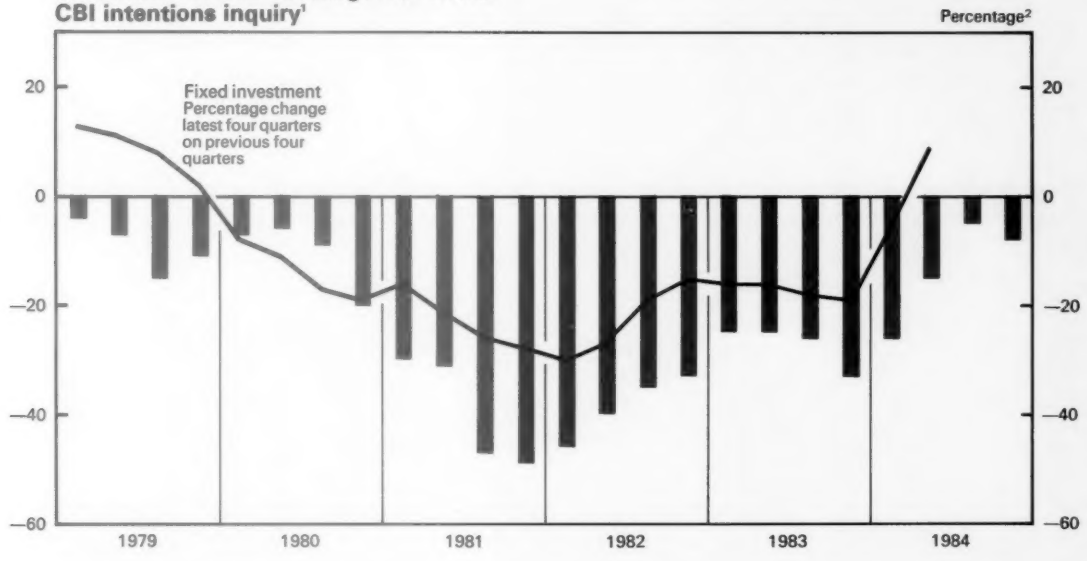
	Percentage change over previous year, in volume terms				
	Gross fixed investment (excluding leased assets)				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1974	Strong increase	Strong increase	some +12 to +14	About +5	+10
1975	Little change	Little change	–7 to –10	Of order of –15	– 7
1976	Further reduction	Little change	–5 to –8	–6 (5 to 8)	– 6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+ 5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+ 8
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+ 5
1980	Slight fall	Slight fall	–6 to –10	–8 to –12	– 9
1981	Further fall	Fall of up to 8 to 12	–15 to –20	–15 to –18	–18
1982	Some recovery	Some recovery	–1 to –3	–3 to –5	–10
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	
1984	No recovery	Slow growth			
1985					

[1] The figures in this table relate to manufacturing industry classified according to the Standard Industrial Classification (1968).
[2] An article, "Investment intentions survey: 1972 to 1982", published in *British business* on 16 September 1983 expands on the table and also includes a similar table for the distributive and service industries.

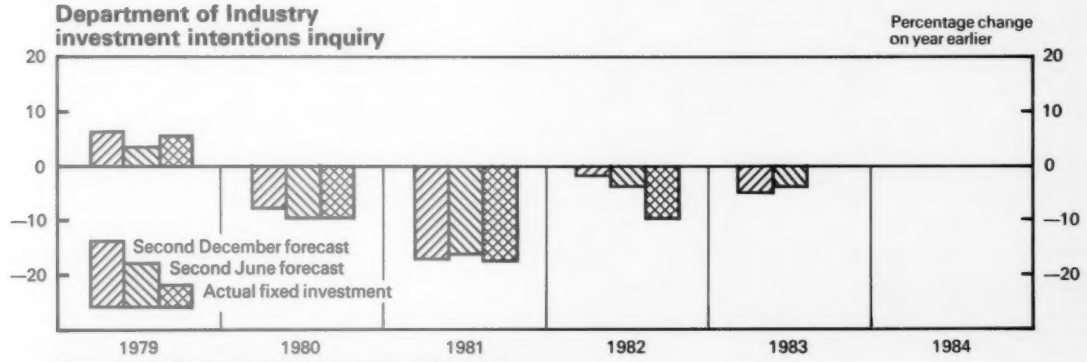
Investment in plant and machinery
CBI intentions inquiry[1]



Investment in new buildings and works
CBI intentions inquiry[1]



Department of Industry
investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment

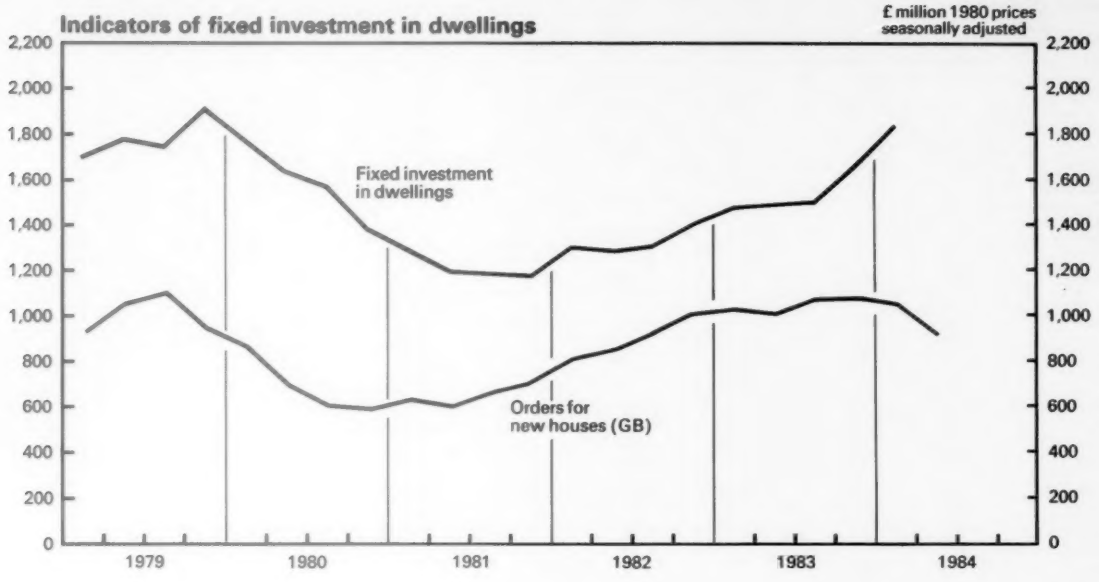
[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

Indicators of fixed investment in dwellings

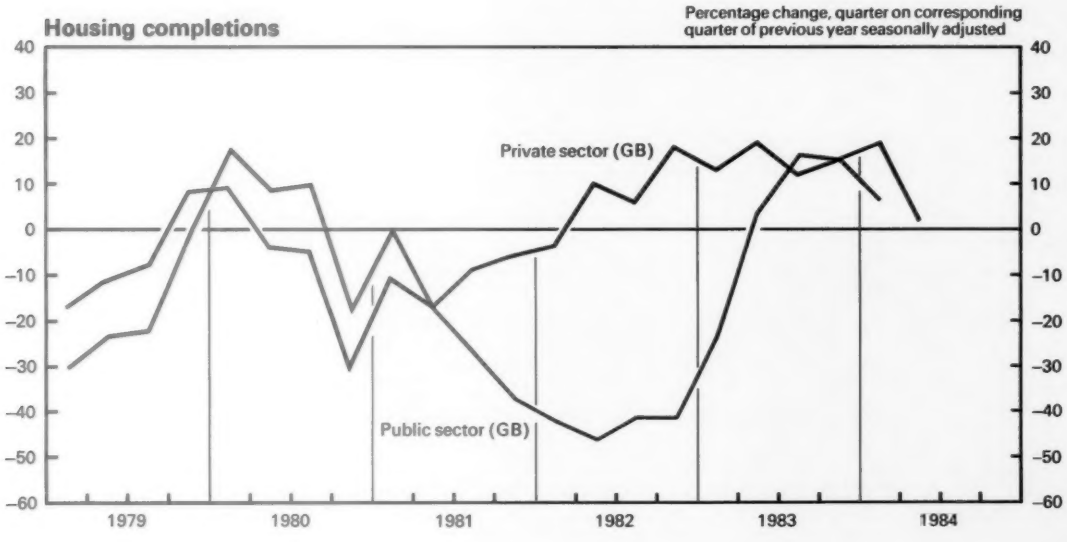
	Seasonally adjusted								Unadjusted
	£ million, 1980 prices		Thousands				£ million		1980 = 100
			Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	Average price of new dwellings: mortgages approved[1]
1974	7 425	4 482	105.9	146.1	140.9	128.6	704	700	41.6
1975	8 052	5 352	149.1	173.8	150.8	162.3	994	945	45.5[2]
1976	8 276	5 479	154.7	170.8	152.2	163.0	1 119	1 125	49.3
1977	7 577	4 501	134.8	132.1	140.8	162.5	1 260	1 175	54.2
1978	7 734	4 733	157.3	107.4	149.0	130.7	1 523	1 504	64.9
1979	7 134	4 001	144.0	81.2	140.5	104.0	1 498	1 519	83.4
1980	6 342	2 702	98.2	56.3	127.0	106.9	1 444	1 406	100.0
1981	4 828	2 559	115.1	37.1	112.8	84.5	1 427	1 456	102.4[3]
1982	5 295	3 548	140.1	52.3	121.1	49.4	1 931	1 716	104.1
1983	6 110	4 231	167.4	47.2	139.4	49.9	2 431	2 342	115.7
1979 *2*	1 773	1 043	35.5	20.9	33.8	25.3	380	379	81.2
3	1 746	1 088	38.1	19.9	32.9	24.8	389	400	86.8
4	1 914	945	42.4	22.2	42.5	30.7	351	365	91.9
1980 *1*	1 763	850	27.6	17.5	34.1	27.1	343	367	96.1
2	1 632	683	26.0	14.6	32.2	27.0	341	331	99.9
3	1 568	596	21.6	14.1	31.5	26.9	385	342	101.7
4	1 379	574	22.9	10.2	29.1	25.9	375	366	102.5
1981 *1*	1 280	621	29.8	8.6	30.4	27.1	380	387	104.2[3]
2	1 192	595	28.4	8.3	26.6	22.1	380	371	104.6
3	1 184	644	30.0	9.3	28.6	19.4	345	359	102.3
4	1 172	699	26.9	10.8	27.2	15.9	322	339	97.9
1982 *1*	1 309	796	34.9	13.8	29.1	15.3	368	332	99.1
2	1 282	838	33.6	12.6	29.2	11.7	488	410	103.7
3	1 306	915	35.4	12.3	30.5	11.3	483	426	104.5
4	1 399	999	36.2	13.6	32.3	11.1	592	548	108.2
1983 *1*	1 472	1 113	43.7	15.4	32.9	11.6	577	547	111.7
2	1 484	993	41.0	11.4	35.1	12.4	598	567	116.3
3	1 500	1 062	40.4	9.5	34.1	13.0	590	581	117.6
4	1 654	1 063	42.3	10.9	37.3	12.9	666	647	117.2
1984 *1*	1 837	1 037	39.4	12.8	39.3	11.6	705	639	120.8
2		917[4]	39.4[4]	9.6[4]	35.7[4]	13.2[4]	857	727	
1982 *J*	..	282	9.9	3.8	9.6	3.2	153	145	105.2
J	..	276	11.6	3.6	10.4	3.5	150	139	104.0
A	..	303	12.2	4.4	9.8	3.8	154	138	104.4
S	..	337	11.6	4.3	10.3	4.0	179	149	104.9
O	..	304	11.4	4.2	10.6	3.8	187	172	108.2
N	..	340	11.6	4.5	10.7	3.5	194	176	108.1
D	..	355	13.2	4.9	11.0	3.8	211	200	108.1
1983 *J*	..	406	15.1	4.9	11.0	3.9	184	174	110.9
F	..	348	14.2	5.8	10.7	3.9	200	179	110.5
M	..	360	14.4	4.7	11.2	3.8	193	194	113.2
A	..	350	13.0	4.2	11.8	4.2	193	184	115.1
M	..	316	13.4	3.7	11.9	4.2	196	186	117.1
J	..	328	14.6	3.5	11.4	4.0	209	197	116.6
J	..	349	13.7	3.0	11.2	4.5	188	191	118.4
A	..	340	13.5	3.3	11.7	4.3	194	195	118.0
S	..	373	13.2	3.2	11.2	4.2	208	195	117.0
O	..	347	14.9	3.7	12.6	4.3	210	195	117.8
N	..	361	13.8	3.5	11.9	4.2	226	207	118.0
D	..	356	13.6	3.7	12.8	4.4	230	245	115.8
1984 *J*	..	335	12.1	4.7	12.7	4.0	215	199	120.3
F	..	346	12.9	4.3	12.8	3.6	219	219	120.1
M	..	356	14.4	3.8	13.8	4.0	271	221	121.8
A	..	322[4]	13.5[4]	3.5[4]	12.4[4]	5.5[4]	261	232	124.4
M	..	270[4]	12.9[4]	3.1[4]	11.5[4]	3.8[4]	284	224	126.0
J	..	326[4]	13.0[4]	3.0[4]	11.8[4]	3.9[4]	312	271	125.8

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.
[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.
[3] Figures are based on a new return introduced in January 1981.
[4] Provisional.

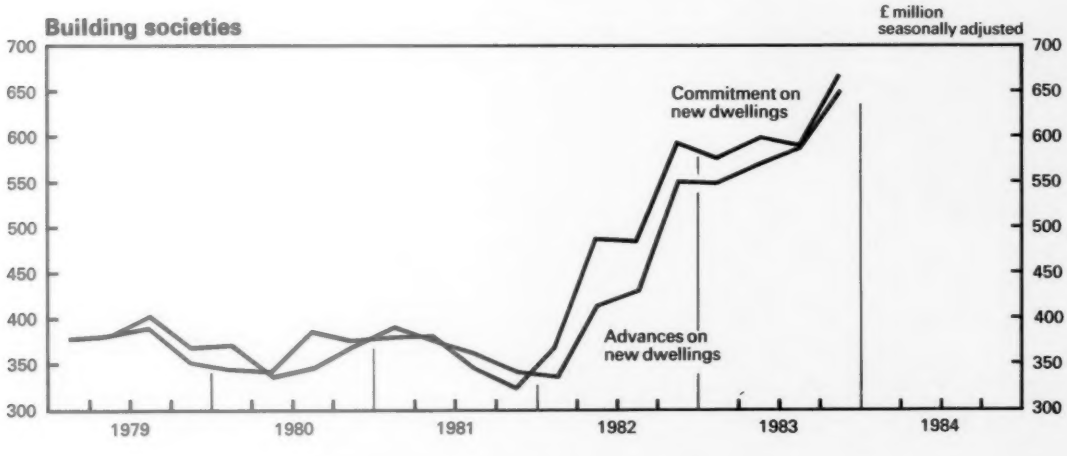
Indicators of fixed investment in dwellings



Housing completions



Building societies



Stock changes

£ million, 1980 prices, seasonally adjusted

			Manufacturing[1] (revised definition)				Distribution		
	All industries	Energy and Water Supply	Total	Materials and fuels	Work in progress	Finished goods	Wholesale[2]	Retail[3]	Other industries
Value of stocks and work in progress end-December 1982[4]	64 840	4 776	31 652	10 105	11 825	9 722	9 573	7 144	11 695
1978 *3*	440	−126	− 10	17	−103	76	295	173	108
4	480	8	246	105	284	−142	137	98	− 9
1979 *1*	852	−387	45	− 45	− 68	158	376	131	687
2	279	− 90	15	135	1	−121	483	168	−297
3	1 040	151	183	32	0	151	144	336	226
4	319	186	32	−107	−194	333	279	− 88	− 90
1980 *1*	− 501	− 28	− 167	−270	− 7	109	−105	−292	91
2	− 135	138	− 248	−180	−234	167	−164	18	121
3	−1 201	− 88	− 636	−387	−192	− 56	−271	− 17	−189
4	−1 399	124	−1 270	−414	−281	−576	66	−127	−192
1981 *1*	−1 010	88	− 762	−342	−135	−285	− 68	136	−404
2	−1 329	−152	− 753	−356	−127	−270	−222	− 20	−182
3	− 182	−177	− 162	−167	91	− 87	130	22	5
4	− 134	−238	219	− 57	126	151	− 51	9	− 73
1982 *1*	58	68	− 36	− 55	− 67	86	−108	74	60
2	231	118	4	18	39	− 53	96	11	2
3	− 620	−121	− 342	−119	−101	−122	22	9	−188
4	− 692	94	− 634	−336	−164	−134	−248	34	62
1983 *1*	601	146	21	−167	210	− 21	31	36	367
2	− 39	37	− 106	− 87	− 77	58	60	−132	102
3	− 121	37	− 381	−153	4	−232	−232	74	381
4	231	−173	164	150	− 43	57	120	43	77
1984 *1*	− 248	−293	− 21	− 56	− 54	88	108	− 35	− 7

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
[2] Classes 61–63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
[3] Classes 64–65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
[4] Unadjusted 1980 price stock levels.

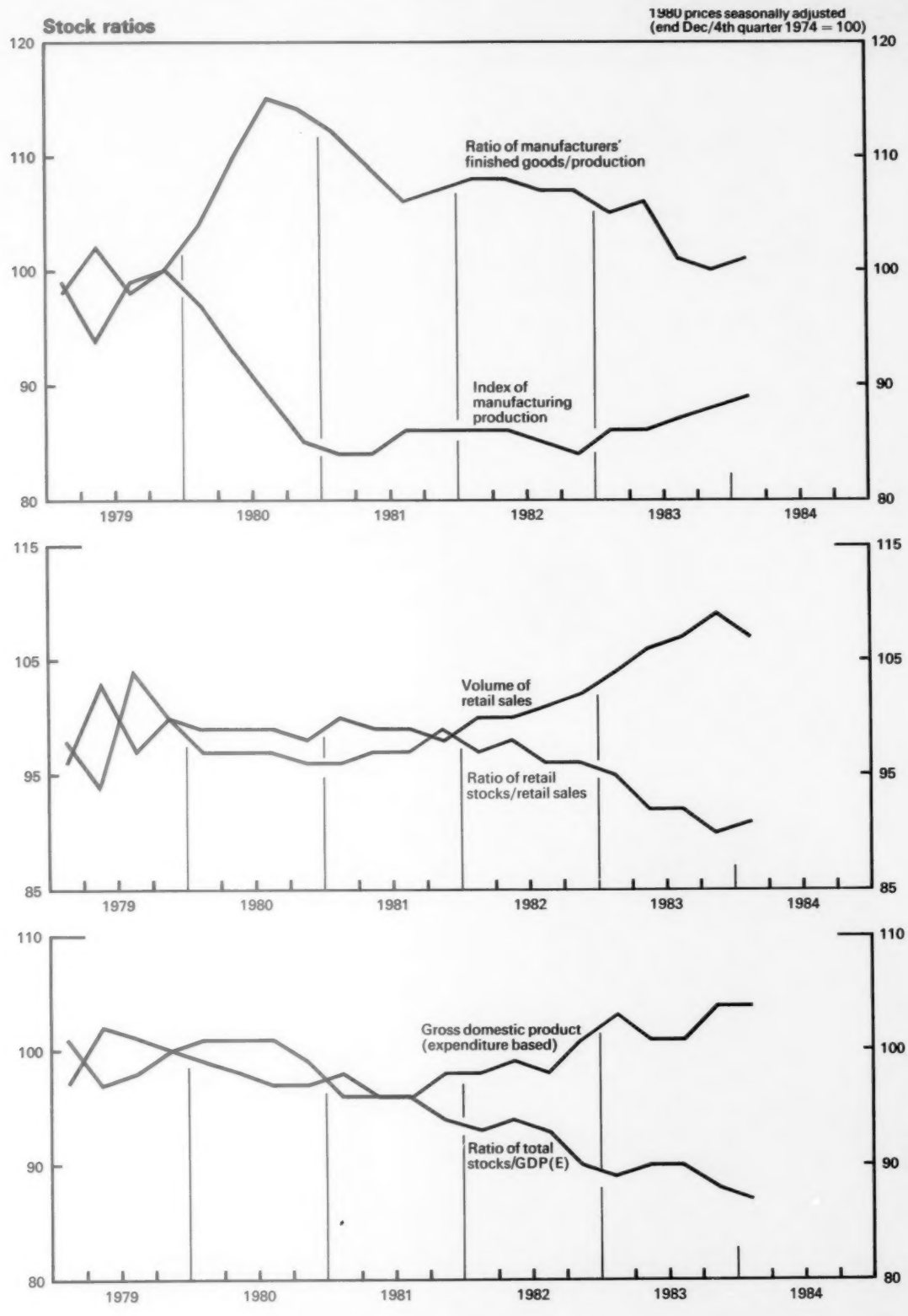
Stock ratios

Seasonally adjusted

1980 prices: stocks level, end-Dec. 1979 = 100; GDP (E), industrial production and retail sales, 4th quarter 1979 = 100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production (revised definition)				Retail[1] stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1978 *3*	98	99	99	100	97	94
4	98	99	100	102	95	95
1979 *1*	101	102	102	104	99	98
2	97	98	99	100	94	94
3	98	102	103	103	99	104
4	100	100	100	100	100	100
1980 *1*	101	102	101	103	104	97
2	101	106	104	106	110	97
3	101	110	105	109	115	97
4	99	110	106	111	114	96
1981 *1*	96	109	104	111	112	96
2	96	106	101	110	109	97
3	96	104	97	108	106	97
4	94	104	96	109	107	99
1982 *1*	93	104	96	109	108	97
2	94	105	97	110	108	98
3	93	104	96	110	107	96
4	90	103	94	109	107	96
1983 *1*	89	101	91	109	105	95
2	90	101	90	109	106	92
3	90	98	87	106	101	92
4	88	97	88	105	100	90
1984 *1*	87	97	87	104	101	91

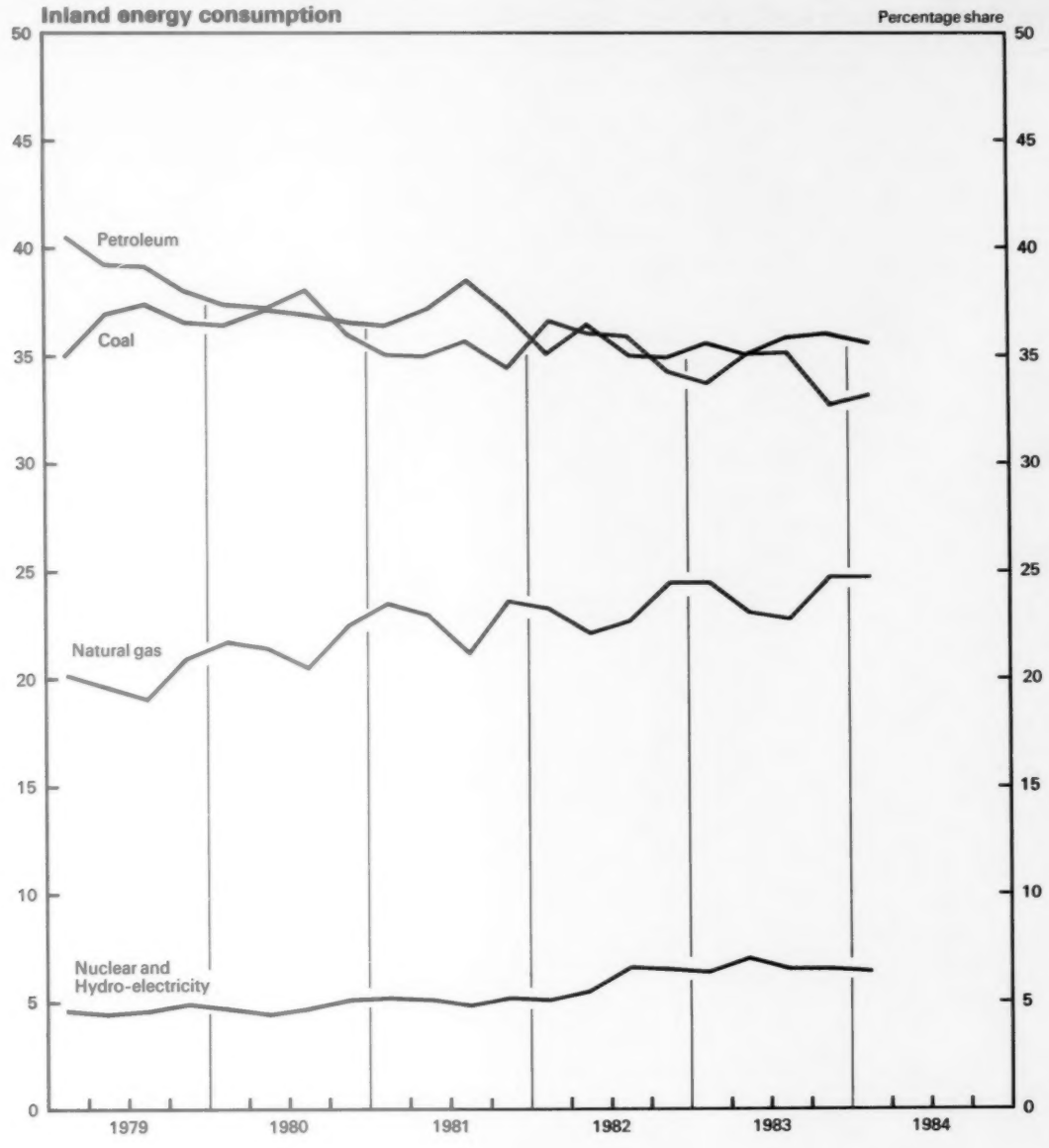
[1] Classes 64–65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.


Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1974 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1979
1980
1981
1982
1983
1984

Inland energy consumption

		Annual rates, seasonally adjusted and temperature corrected						
		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]
1973		354.2	133.2	164.5	44.4	10.1	2.0	241.0
1974		337.9	117.7	153.1	52.9	12.1	2.1	235.5
1975		326.9	120.6	137.1	56.3	10.9	2.0	234.2
1976		331.5	123.0	134.2	59.5	12.9	1.9	236.7
1977		338.2	122.4	136.8	62.7	14.3	2.0	240.2
1978		339.1	119.4	139.2	65.0	13.4	2.1	246.3
1979		349.3	127.2	137.0	69.1	13.8	2.2	255.0
1980		327.2	120.1	121.2	70.5	13.4	2.0	245.9
1981		315.3	117.5	110.2	71.6	13.7	2.3	239.2
1982		311.7	109.6	110.8	72.9	15.0	2.4	236.2
1983		313.6	111.5	106.0	75.6	18.2	2.3	242.3
1979	*1*	349.1	121.8	141.0	70.3	14.5	1.5	252.6
	2	355.8	131.3	139.4	69.4	13.3	2.4	257.6
	3	352.1	131.8	137.8	66.6	13.3	2.6	257.7
	4	342.1	124.8	129.8	71.1	14.0	2.4	252.0
1980	*1*	333.9	121.5	124.4	72.4	13.8	1.8	242.5
	2	328.3	122.1	122.0	69.9	12.9	1.4	248.1
	3	323.7	119.3	123.1	66.1	12.5	2.7	249.0
	4	321.2	117.6	115.4	71.7	14.2	2.3	244.1
1981	*1*	317.9	115.9	111.1	74.4	13.5	3.0	235.7
	2	311.7	116.1	108.5	71.1	14.1	1.9	238.9
	3	319.2	123.0	113.5	67.5	13.4	1.8	242.0
	4	312.9	115.6	107.4	73.6	13.8	2.5	240.3
1982	*1*	312.3	109.4	114.4	72.6	13.5	2.4	238.3
	2	305.3	111.4	110.0	67.2	14.2	2.5	235.4
	3	317.7	111.3	113.7	71.8	18.8	2.1	243.5
	4	307.3	107.4	105.0	74.9	17.4	2.6	236.3
1983	*1*	308.0	110.0	103.4	75.1	16.8	2.8	236.4
	2	310.3	108.7	108.5	71.0	19.4	2.7	241.7
	3	320.7	114.7	112.6	72.8	19.0	1.7	248.4
	4	310.3	112.0	101.5	76.7	17.9	2.2	242.8
1984	*1*[6]	310.6	111.0	103.2	76.7	17.4	2.4	242.3
		Percentage change, quarter on corresponding quarter of previous year						
1979	*1*	*+5.3*	*+ 4.4*	*+ 5.7*	*+8.3*	*– 0.7*	*–16.7*	*+6.4*
	2	*+4.3*	*+10.6*	*– 2.4*	*+8.1*	*–*	*+14.3*	*+3.8*
	3	*+4.1*	*+12.5*	*– 4.0*	*+6.7*	*+ 0.8*	*+36.8*	*+1.5*
	4	*–0.4*	*– 0.3*	*– 5.0*	*+6.9*	*+12.0*	*– 4.0*	*+2.6*
1980	*1*	*–4.4*	*– 0.2*	*–11.8*	*+3.0*	*– 4.8*	*+20.0*	*–4.0*
	2	*–7.7*	*– 7.0*	*–12.5*	*+0.7*	*– 3.0*	*–41.7*	*–3.7*
	3	*–8.1*	*– 9.5*	*–10.7*	*–0.8*	*– 6.0*	*+ 3.8*	*–3.4*
	4	*–6.1*	*– 5.8*	*–11.1*	*+0.8*	*+ 1.4*	*– 4.2*	*–3.1*
1981	*1*	*–4.8*	*– 4.6*	*–10.7*	*+2.8*	*– 2.2*	*+66.7*	*–2.8*
	2	*–5.1*	*– 4.9*	*–11.1*	*+1.7*	*+ 9.3*	*+35.7*	*–3.7*
	3	*–1.4*	*+ 3.1*	*– 7.8*	*+2.1*	*+ 7.6*	*–33.3*	*–2.8*
	4	*–2.6*	*– 1.7*	*– 6.9*	*+2.6*	*– 2.8*	*+ 8.7*	*–1.6*
1982	*1*	*–1.7*	*– 5.6*	*+ 2.9*	*–2.3*	*+ 0.4*	*–20.0*	*+1.1*
	2	*–2.0*	*– 4.0*	*+ 1.3*	*–5.4*	*+ 0.4*	*+30.4*	*–1.5*
	3	*–0.5*	*– 9.5*	*+ 0.1*	*+6.7*	*+40.2*	*+14.7*	*+0.6*
	4	*–1.8*	*– 7.1*	*– 2.2*	*+1.7*	*+25.5*	*+ 4.6*	*–1.7*
1983	*1*	*–1.4*	*+ 0.5*	*– 9.6*	*+3.4*	*+23.9*	*+18.5*	*–0.8*
	2	*+1.6*	*– 2.5*	*– 1.3*	*+5.6*	*+36.7*	*+ 8.8*	*+2.7*
	3	*+0.9*	*+ 3.1*	*– 1.0*	*+1.3*	*+ 0.6*	*–19.7*	*+2.0*
	4	*+1.0*	*+ 4.3*	*– 3.4*	*+2.5*	*+ 3.0*	*–14.0*	*+2.8*
1984	*1*[6]	*+0.8*	*+ 0.9*	*– 0.2*	*+2.2*	*+ 3.6*	*–15.5*	*+2.5*

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Inland deliveries for energy use *plus* refinery fuel and losses *minus* the difference between deliveries and actual consumption at power stations and gas works.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2 per cent to the total.
[6] Provisional.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
Hydro-electricity
1979
1980
1981
1982
1983
1984

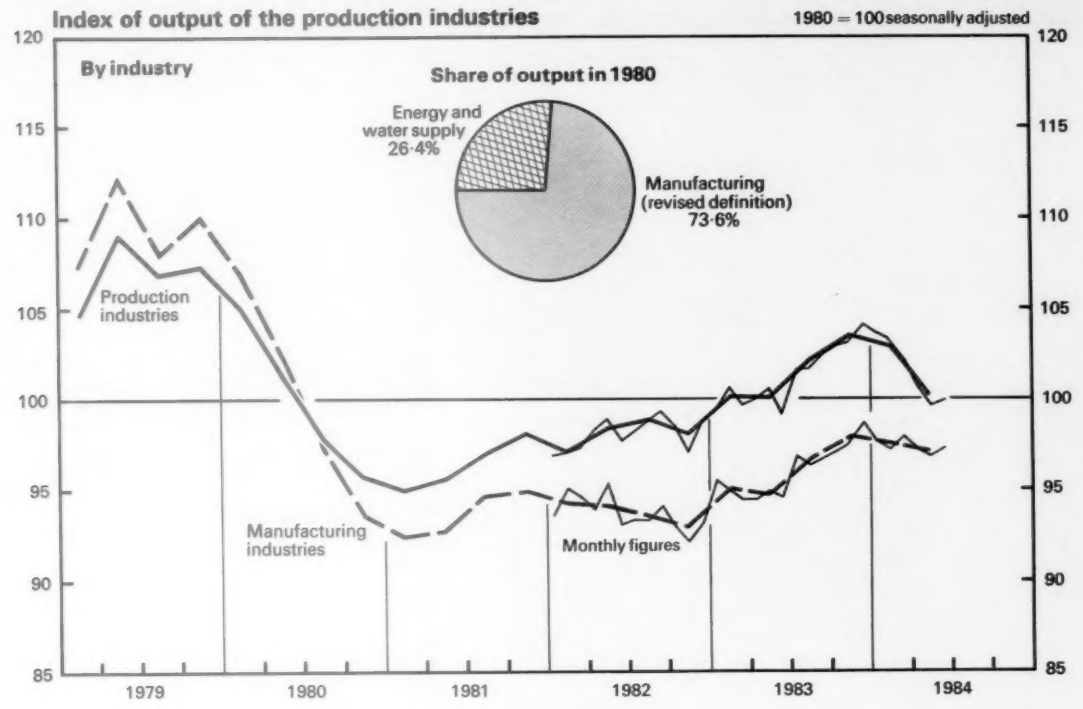
Index of output of the production and construction industries[1]

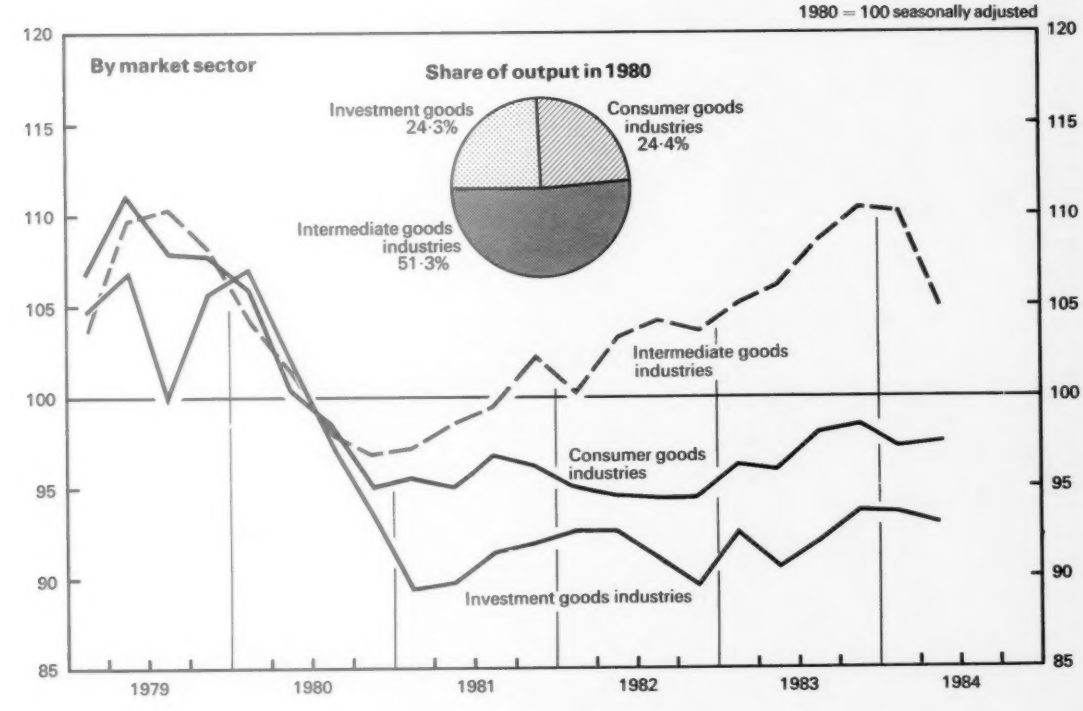
1980 = 100, seasonally adjusted

	Total production industries	Energy and water supply	Total manufacturing industries	Construction	Total production and construction	Consumer goods industries	Investment goods industries	Intermediate goods industries
1980 weights PPT of GDP(O)	1 000 361	264 95	736 266	 63[2]	 424	245 88	243 88	512 185
1978	103.1	85.0	109.6	105.1	103.4	108.5	105.7	99.3
1979	107.0	100.5	109.3	105.8	106.9	108.4	104.3	107.9
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	96.4	103.8	93.7	90.0	95.4	96.0	90.6	99.3
1982	98.1	110.0	93.7	91.7	97.1	94.6	91.4	102.7
1983	101.2	116.0	95.9	95.3	100.4	97.2	92.1	107.5
1979 *2*	109.2	101.1	112.2	107.2	109.0	111.3	106.8	109.6
3	107.0	104.0	108.1	107.7	107.1	108.0	100.2	110.3
4	107.2	99.9	109.8	107.0	107.3	107.7	105.5	108.0
1980 *1*	105.1	100.5	106.7	105.0	105.1	105.9	106.9	104.1
2	101.3	98.6	102.3	101.6	101.3	100.5	102.1	101.4
3	97.9	98.8	97.6	100.5	98.3	98.6	97.6	97.8
4	95.7	102.1	93.4	92.9	95.3	94.9	93.4	96.8
1981 *1*	94.9	101.8	92.5	92.4	94.6	95.6	89.4	97.1
2	95.6	103.4	92.8	89.6	94.6	95.2	89.8	98.4
3	96.9	103.3	94.6	91.0	96.0	96.8	91.4	99.5
4	98.1	106.9	94.9	86.8	96.4	96.3	91.8	102.0
1982 *1*	97.1	104.5	94.4	89.1	95.9	95.0	92.5	100.1
2	98.4	110.0	94.2	90.7	97.3	94.6	92.5	103.0
3	98.7	112.7	93.7	92.6	97.8	94.4	91.0	104.1
4	98.0	112.9	92.7	94.2	97.4	94.4	89.5	103.6
1983 *1*	99.9	113.8	94.9	93.6	99.0	96.3	92.4	105.0
2	99.9	114.5	94.6	92.3	98.7	95.9	90.5	106.1
3	101.9	116.7	96.6	97.6	101.3	98.1	91.9	108.4
4	103.4	119.0	97.7	97.5	102.4	98.4	93.6	110.3
1984 *1*	102.9	118.0	97.5	96.5	102.0	97.2	93.5	110.1
2	100.1	108.2	97.1			97.4	92.9	104.8
1982 *J*	96.8	105.8	93.5	..	..	94	92	100
F	97.1	102.6	95.1	..	..	96	93	99
M	97.4	105.1	94.6	..	..	95	92	101
A	98.4	110.5	94.1	..	..	95	92	103
M	99.0	109.0	95.4	..	..	96	94	103
J	97.7	110.5	93.1	..	..	93	92	103
J	98.2	111.4	93.4	..	..	94	91	103
A	98.7	113.4	93.4	..	..	94	90	105
S	99.3	113.4	94.2	..	..	95	92	105
O	98.4	113.8	92.9	..	..	95	90	104
N	96.9	110.5	92.0	..	..	93	89	102
D	98.8	114.5	93.2	..	..	95	90	105
1983 *J*	99.4	110.2	95.5	..	..	97	93	104
F	100.6	116.9	94.8	..	..	97	93	106
M	99.6	114.4	94.3	..	..	95	92	105
A	100.0	115.5	94.4	..	..	96	90	107
M	100.5	116.2	94.8	..	..	96	91	107
J	99.1	111.9	94.5	..	..	96	90	105
J	101.6	115.0	96.8	..	..	99	93	107
A	101.6	116.3	96.3	..	..	98	92	108
S	102.4	118.7	96.6	..	..	98	92	110
O	102.9	119.2	97.0	..	..	98	93	110
N	103.2	119.0	97.5	..	..	98	93	110
D	104.0	118.8	98.7	..	..	99	95	111
1984 *J*	103.5	120.1	97.6	..	..	97	94	111
F	103.2	119.8	97.2	..	..	97	93	111
M	102.1	114.2	97.8	..	..	97	94	108
A	100.7	110.4	97.2	..	..	98	93	106
M	99.6	107.3	96.8	..	..	98	92	104
J	99.9	107.0	97.3	..	..	97	93	105

[1] Revised definition: coverage differs from previous 1975-based estimates.

[2] For an index of construction output for Great Britain, see page 30.

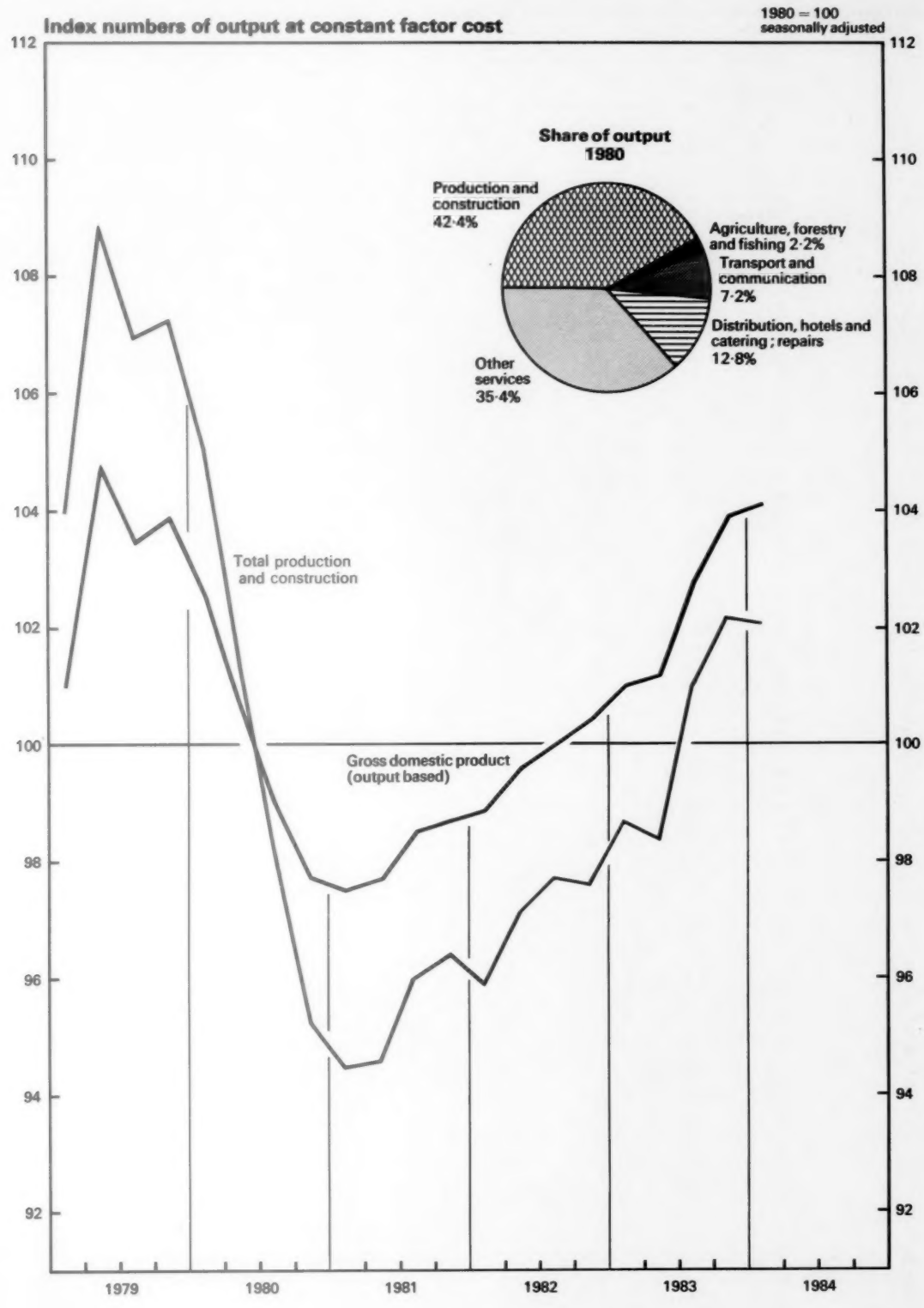

Index of output of the production industries
1980 = 100 seasonally adjusted
By industry
Share of output in 1980
Energy and water supply 26·4%
Manufacturing (revised definition) 73·6%
Production industries
Manufacturing industries
Monthly figures
120
115
110
105
100
95
90
85
1979
1980
1981
1982
1983
1984


1980 = 100 seasonally adjusted
By market sector
Share of output in 1980
Investment goods 24·3%
Consumer goods industries 24·4%
Intermediate goods industries 51·3%
Intermediate goods industries
Consumer goods industries
Investment goods industries
120
115
110
105
100
95
90
85
1979
1980
1981
1982
1983
1984

Index numbers of output at constant factor cost

		Seasonally adjusted					
		1980 = 100					
		Gross domestic product	Agriculture, forestry and fishing	Production and construction[1]	Distribution, hotels and catering; repairs	Transport and communication	Other services
1980 weights		*1 000*	*22*	*424*	*128*	*72*	*354*
1972		91.0	84.8	95.0	102.3	87.0	83.6
1973		96.4	87.4	102.5	107.0	93.6	86.3
1974		94.8	88.4	98.8	102.8	93.9	87.6
1975		93.0	81.5	93.5	99.2	92.7	90.7
1976		94.7	74.9	95.8	100.1	92.1	93.5
1977		97.3	84.7	99.8	99.6	94.8	94.8
1978		100.4	91.1	103.4	105.4	97.1	96.4
1979		103.3	89.8	106.8	109.0	101.5	98.2
1980		100.0	100.0	100.0	100.0	100.0	100.0
1981		98.1	103.1	95.4	98.0	98.9	100.9
1982		99.7	111.9	97.1	99.2	98.7	102.5
1983		102.2	107.2	100.1	102.9	102.1	104.3
1977	*1*	97.2	82	100.2	100	96	94
	2	96.7	84	99.7	98	93	94
	3	97.3	86	99.4	100	95	95
	4	97.9	87	100.0	101	95	96
1978	*1*	98.4	90	100.6	101	96	96
	2	100.5	92	103.9	105	97	96
	3	101.3	92	104.5	107	97	97
	4	101.6	91	104.6	108	99	97
1979	*1*	101.0	89	104.0	106	96	97
	2	104.8	88	108.9	114	103	98
	3	103.4	89	107.0	107	104	98
	4	103.9	93	107.2	109	103	99
1980	*1*	102.6	97	105.1	104	103	99
	2	100.7	100	101.4	101	101	100
	3	99.0	101	98.2	98	99	100
	4	97.7	101	95.3	96	98	101
1981	*1*	97.5	101	94.5	98	98	101
	2	97.7	102	94.6	98	98	101
	3	98.5	104	96.0	99	100	101
	4	98.7	106	96.4	97	100	101
1982	*1*	98.9	110	95.9	98	98	102
	2	99.6	113	97.1	98	99	102
	3	100.0	113	97.7	100	98	102
	4	100.4	112	97.6	100	100	103
1983	*1*	101.0	108	98.7	101	100	103
	2	101.2	106	98.4	102	101	104
	3	102.8	107	101.0	104	103	105
	4	103.9	108	102.2	105	104	105
1984	*1*	104.1	111	102.1	104	104	106
		Percentage change, quarter on corresponding quarter of previous year					
1979	*1*	*+2.7*	*—*	*+ 3.4*	*+ 5*	*—*	*+2*
	2	*+4.3*	*– 4*	*+ 4.9*	*+ 9*	*+6*	*+2*
	3	*+2.1*	*– 3*	*+ 2.4*	*—*	*+8*	*+2*
	4	*+2.2*	*+ 2*	*+ 2.5*	*+ 1*	*+4*	*+2*
1980	*1*	*+1.6*	*+ 9*	*+ 1.0*	*– 2*	*+7*	*+2*
	2	*–3.9*	*+14*	*– 6.9*	*–11*	*–2*	*+2*
	3	*–4.3*	*+14*	*– 8.2*	*– 9*	*–6*	*+2*
	4	*–6.0*	*+ 9*	*–11.1*	*–11*	*–5*	*+2*
1981	*1*	*–5.0*	*+ 4*	*–10.0*	*– 6*	*–5*	*+1*
	2	*–3.1*	*+ 2*	*– 6.7*	*– 3*	*–3*	*+1*
	3	*–0.5*	*+ 2*	*– 2.3*	*+ 1*	*+1*	*+1*
	4	*+1.1*	*+ 5*	*+ 1.1*	*+ 1*	*+2*	*+1*
1982	*1*	*+1.4*	*+ 8*	*+ 1.4*	*—*	*—*	*+2*
	2	*+2.0*	*+11*	*+ 2.6*	*—*	*+1*	*+2*
	3	*+1.5*	*+10*	*+ 1.8*	*+ 1*	*–2*	*+1*
	4	*+1.7*	*+ 5*	*+ 1.3*	*+ 4*	*—*	*+2*
1983	*1*	*+2.1*	*– 2*	*+ 2.9*	*+ 3*	*+2*	*+1*
	2	*+1.6*	*– 6*	*+ 1.4*	*+ 4*	*+2*	*+2*
	3	*+2.9*	*– 6*	*+ 3.4*	*+ 4*	*+5*	*+2*
	4	*+3.5*	*– 3*	*+ 4.7*	*+ 4*	*+5*	*+2*
1984	*1*	*+3.1*	*+ 3*	*+ 3.5*	*+ 3*	*+4*	*+2*

[1] Revised definition, comprising Divisions 1-5 of the 1980 Standard Industrial Classification. Any differences between this column and the data on page 26 arise because the latter may be based on more recent information.


Index numbers of output at constant factor cost
1980 = 100
seasonally adjusted
112
110
108
106
104
102
100
98
96
94
92
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Total production and construction
Gross domestic product (output based)
1979
1980
1981
1982
1983
1984

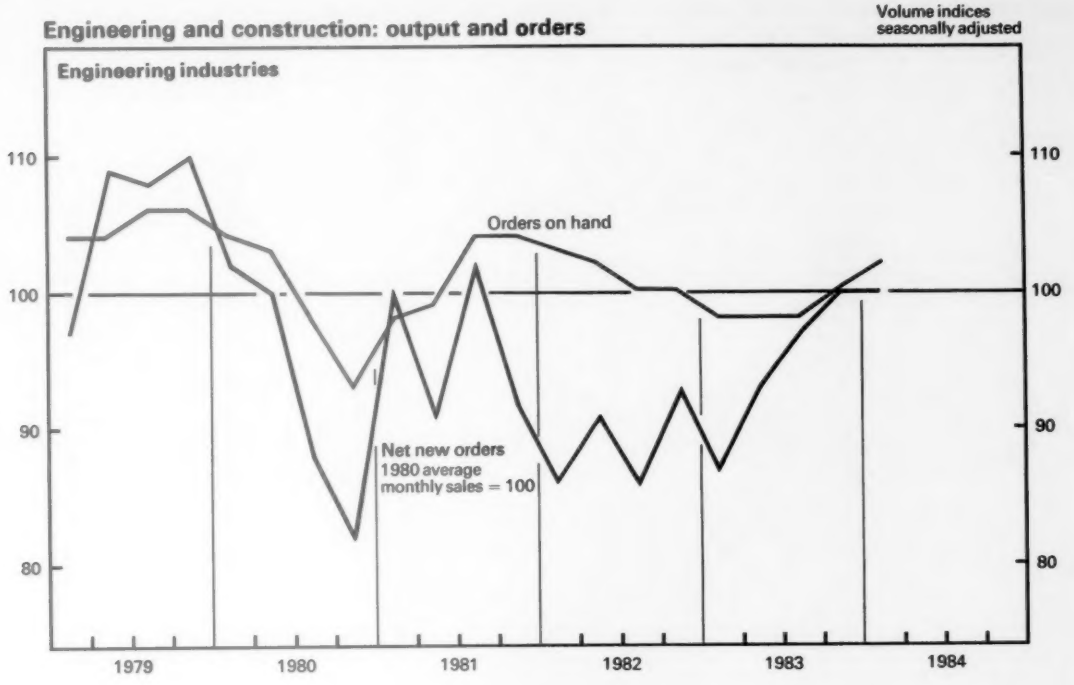
Engineering and construction: output and orders

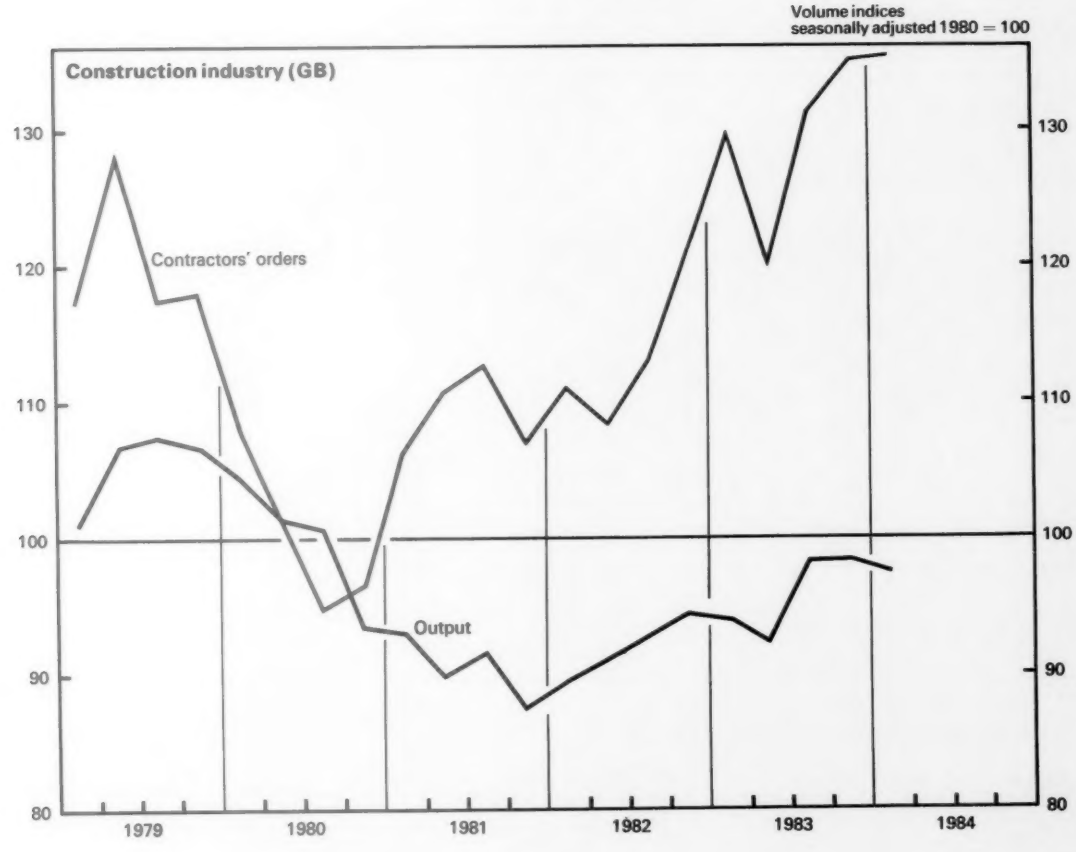
Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received
		1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	1980 = 100	1980 = 100
1979		106	106	106	107	108	104	100	105.5	120.1
1980		100	93	93	91	92	97	95	100.0	100.0
1981		90	104	96	102	94	111	99	90.5	109.1
1982		92	100	89	101	91	99	85	91.9	113.2
1983		94	100	94	98	94	106	94	95.7	128.8
1980	*1*	106	104	102	105	102	102	99	104.5	107.8
	2	102	103	100	102	97	103	104	101.4	101.4
	3	99	98	88	97	89	98	89	100.7	94.5
	4	93	93	82	91	80	97	93	93.5	96.3
1981	*1*	89	98	100	98	103	97	90	93.0	106.1
	2	90	99	91	99	92	95	84	89.9	110.7
	3	89	104	102	102	94	109	126	91.7	112.5
	4	90	104	92	102	90	111	97	87.3	106.9
1982	*1*	90	103	86	100	86	107	87	89.4	110.9
	2	90	102	91	101	91	108	94	91.0	108.1
	3	93	100	86	98	88	101	77	92.7	112.8
	4	90	100	93	101	96	99	83	94.4	120.9
1983	*1*	93	98	87	96	83	103	100	94.0	129.5
	2	93	98	93	95	92	105	93	92.3	119.8
	3	97	98	97	96	101	103	85	98.2	131.1
	4	95	100	100	98	101	106	98	98.3	134.8
1984	*1*	96	102	100	100	101	109	99	97.4[5]	135.1
	2									134.9[5]
1981	*M*	88	98	84	97	83	99	82	..	110.6
	J	91	99	97	99	103	95	75	..	127.1
	J	89	102	106	103	109	96	97	..	116.4
	A	90	103	103	102	79	107	174	..	119.8
	S	89	104	97	102	92	109	108	..	101.3
	O	92	105	91	102	87	111	104	..	110.9
	N	91	104	86	101	83	110	95	..	109.1
	D	88	104	96	102	98	111	90	..	100.9
1982	*J*	92	105	91	103	94	109	82	..	110.3
	F	93	104	89	103	91	107	87	..	108.6
	M	89	103	80	101	77	107	89	..	113.8
	A	89	104	99	103	101	108	94	..	100.3
	M	93	105	96	103	94	109	99	..	107.6
	J	89	102	81	101	78	108	91	..	116.3
	J	92	102	84	100	86	107	81	..	109.3
	A	92	101	83	99	86	105	81	..	100.5
	S	94	100	88	99	94	101	71	..	128.6
	O	91	101	98	101	103	101	81	..	114.3
	N	91	100	86	100	87	99	82	..	120.0
	D	90	100	98	101	102	99	83	..	128.5
1983	*J*	96	98	80	98	81	97	79	..	134.3
	F	93	98	95	97	86	102	126	..	122.5
	M	90	98	86	96	83	103	95	..	131.7
	A	94	98	99	95	93	107	116	..	128.2
	M	94	98	92	95	95	106	83	..	119.8
	J	90	98	87	95	89	105	80	..	111.4
	J	100	98	102	95	105	105	94	..	137.0
	A	95	97	92	95	97	104	76	..	121.8
	S	95	98	98	96	102	103	87	..	134.5
	O	95	98	97	96	99	104	90	..	127.8
	N	93	99	98	97	98	105	99	..	138.5
	D	98	100	106	98	106	106	105	..	138.0
1984	*J*	98	101	101	99	103	106	95	..	136.5
	F	95	102	100	99	98	109	107	..	132.6
	M	96	102	100	100	101	109	96	..	136.3
	A	96	104	106	101	107	111	103	..	124.4
	M	94	104	98	101	97	114	117	..	129.6[5]
	J									150.8[5]

[1] Mechanical, instrument and electrical engineering (SIC classes 32, 37, 34).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.

Engineering and construction: output and orders

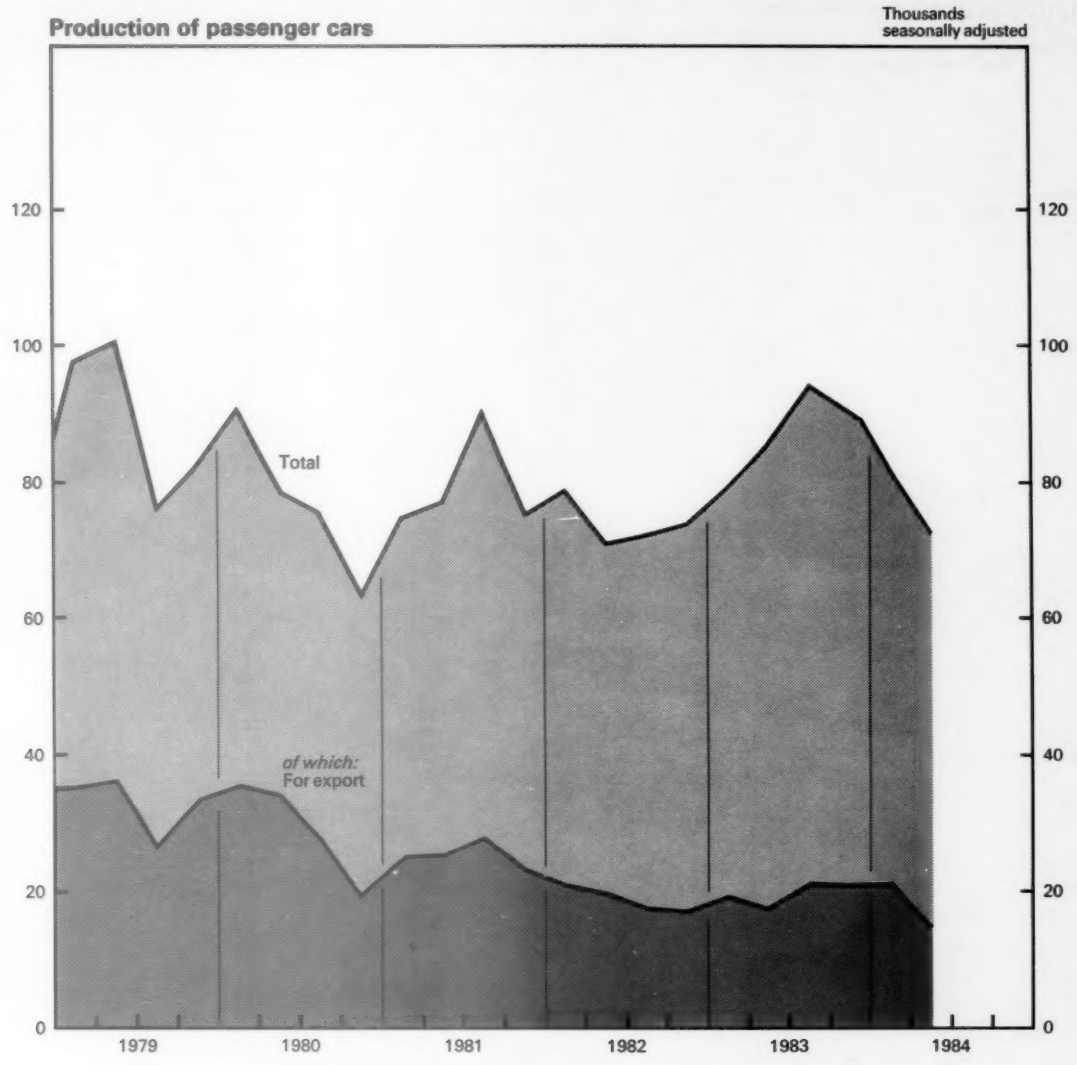


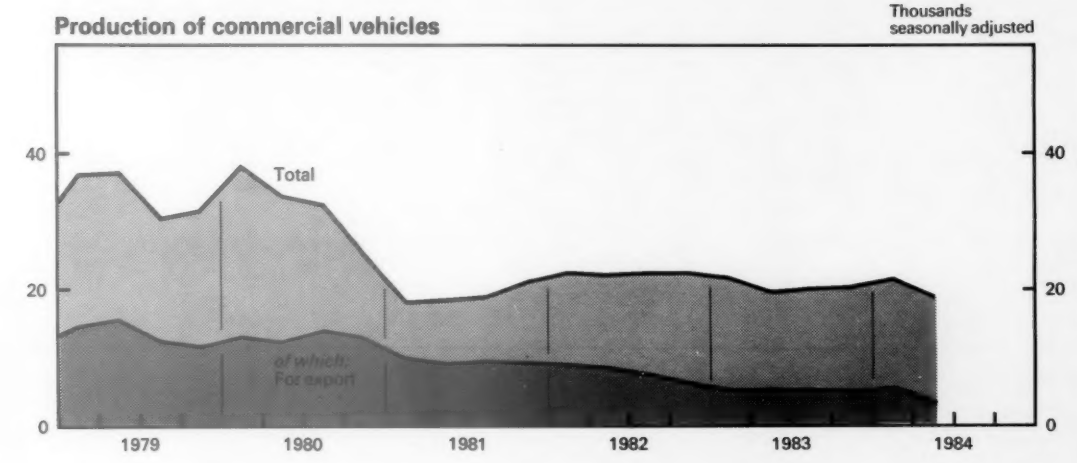


Motor vehicle production and steel production and consumption

	Seasonally adjusted					
	Thousands[1]				Thousand tonnes	
	Passenger cars§		Commercial vehicles§			
	Total	*of which:* For export	Total	*of which:* For export	Crude steel production[2,3]	Finished steel consumption
1973	145.6	50.4	34.7	13.3	26 684	18 445
1974	127.8	49.7	33.5	14.2	22 362	17 680
1975	105.6	44.3	31.7	15.5	19 737[4]	16 040
1976	111.1	47.1	31.0	15.8	22 236	16 120
1977	109.7	46.9	33.2	16.4	20 385	15 580
1978	101.9	41.2	32.0	14.1	20 237	15 720
1979	89.2	32.7	34.0	13.5	21 412	15 480
1980	77.0	29.1	32.4	13.0	11 387	12 800
1981	79.5	25.4	19.1	9.5	15 308[4]	12 440
1982	74.0	18.9	22.4	7.7	13 704	12 300
1983	87.0	19.8	20.4	5.2	14 986	11 620
1980 *1*	90.9	35.7	38.2	13.1	764	3 120
2	78.6	34.0	33.8	12.1	4 098	3 510
3	75.8	27.5	32.4	14.0	3 498	3 140
4	62.6	19.2	25.3	12.9	3 027	3 030
1981 *1*	74.7	25.0	18.1	9.9	3 585	2 990
2	77.0	25.3	18.3	9.3	3 892	3 040
3	90.8	27.9	19.1	9.6	3 813[5]	3 270
4	75.5	23.3	21.2	9.4	4 018	3 140
1982 *1*	79.1	20.6	22.3	8.8	4 030	3 235
2	70.9	19.8	22.2	8.4	3 840	3 235
3	72.1	17.7	22.5	7.5	3 054	2 955
4	73.9	17.2	22.5	6.1	2 720	2 875
1983 *1*	79.3	19.4	21.7	5.2	3 768	2 840
2	85.7	17.6	19.6	5.3	3 813	2 920
3	94.1	21.2	20.0	5.3	3 690	2 850
4	89.1	21.0	20.2	5.1	3 662	3 010
1984 *1*	81.9	21.2	21.7	5.3	3 963	2 880
2	72.7	14.9	19.2	3.6	3 604	..
1982 *J*	71.0	18.5	20.7	7.1	1 380[6]	..
J	74.1	20.2	21.5	7.3	1 044	..
A	72.1	17.5	21.0	6.8	909	..
S	70.0	15.3	25.0	8.5	1 101[6]	..
O	77.1	18.6	23.1	6.5	864	..
N	67.8	16.0	23.1	6.5	892	..
D	76.8	17.0	21.4	5.4	964[6]	..
1983 *J*	78.4	20.3	23.4	5.0	1 051	..
F	78.7	17.7	20.8	4.9	1 205	..
M	80.7	20.1	20.9	5.8	1 512[6]	..
A	66.0	15.6	20.5	4.9	1 116	..
M	100.1	20.4	20.4	5.4	1 241	..
J	91.1	16.8	18.0	5.7	1 456	..
J	91.0	18.4	18.6	5.0	1 094	..
A	99.3	25.0	21.6	5.5	1 339[6]	..
S	91.9	20.2	19.7	5.3	1 258	..
O	86.6	18.6	19.0	4.1	1 131	..
N	94.2	23.2	21.3	5.5	1 454[6]	..
D	86.6	21.1	20.3	5.7	1 076	..
1984 *J*	91.2	28.1	22.6	6.4	1 164	..
F	79.0	18.1	22.1	5.1	1 560[6]	..
M	75.4	17.3	20.4	4.4	1 239	..
A	73.1	14.7	21.6	3.6	1 112	..
M	79.6	14.9	19.9	3.6	1 331[6]	..
J	65.3	15.2	16.2	3.7	1 160	..
J					1 254	..

[1] Monthly averages or standardised calendar months.
[2] The totals are for 'usable steel' in accordance with the system used by the European Community and the International Iron and Steel Institute.
[3] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[4] 53-week period; reduced to 52-week basis for comparison purposes.
[5] 14-week period; reduced to 13-week basis for comparison purposes.
[6] 5-week periods.


Production of passenger cars
Thousands
seasonally adjusted
120
100
80
60
40
20
0
Total
of which:
For export
1979
1980
1981
1982
1983
1984

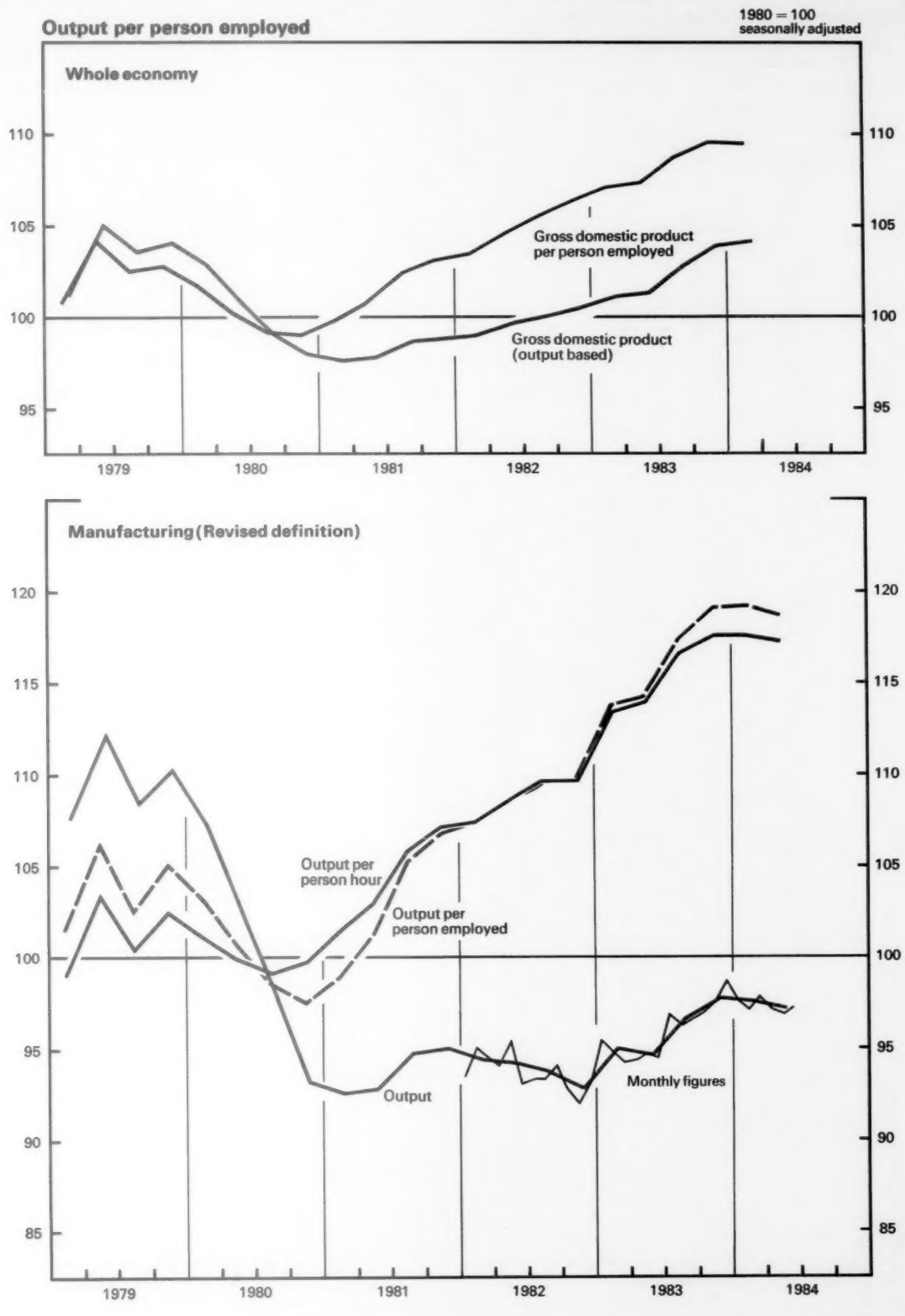

Production of commercial vehicles
Thousands
seasonally adjusted
40
20
0
Total
of which:
For export
1979
1980
1981
1982
1983
1984

Output per person employed

1980 = 100, seasonally adjusted

		Total employed labour force	Employment		Output per person employed[1]			Output per hour in manufacturing industries[2]
			Total production industries[2]	Manufacturing industries[2]	Whole economy	Total production industries[2]	Manufacturing industries[2]	
1979		100.7	104.2	105.3	102.6	102.7	103.9	101.3
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		96.6	91.3	91.0	101.6	105.7	103.1	104.4
1982		95.1	86.8	86.3	104.9	113.1	108.8	108.8
1983		94.5	83.2	82.7	108.2	121.8	116.1	115.3
1980	1	101.0	102.8	103.5	101.6	102.3	103.2	101.2
	2	100.6	101.4	101.6	100.2	99.9	100.7	99.9
	3	99.8	99.2	98.9	99.2	98.7	98.7	99.3
	4	98.7	96.6	95.9	99.0	99.1	97.4	99.6
1981	1	97.7	93.8	93.5	99.8	101.3	98.9	101.6
	2	96.8	91.6	91.5	100.9	104.3	101.4	103.1
	3	96.2	90.4	90.0	102.4	107.2	105.2	105.8
	4	95.8	89.3	88.9	103.1	109.9	106.8	107.1
1982	1	95.6	88.4	88.0	103.4	109.9	107.4	107.4
	2	95.3	87.4	86.9	104.5	112.6	108.5	108.6
	3	94.8	86.2	85.6	105.5	114.5	109.5	109.6
	4	94.5	85.1	84.5	106.3	115.2	109.8	109.6
1983	1	94.3	84.1	83.5	107.1	118.8	113.7	113.4
	2	94.3	83.3	82.9	107.3	119.8	114.2	113.9
	3	94.6	82.8	82.4	108.7	123.1	117.3	116.5
	4	94.9	82.4	82.2	109.5	125.4	119.0	117.5
1984	1	95.2	82.1	81.9	109.4	125.5	119.2	117.6
	2		81.9	81.8		122.1	118.7	117.3
1983	J	..	..	83.7	..	..	114.1	113.9
	F	..	..	83.5	..	..	113.6	113.4
	M	..	..	83.2	..	..	113.4	112.9
	A	..	..	83.1	..	..	113.7	113.4
	M	..	..	82.8	..	..	114.6	114.2
	J	..	..	82.7	..	..	114.4	114.2
	J	..	..	82.5	..	..	117.4	116.9
	A	..	..	82.5	..	..	116.9	116.1
	S	..	..	82.2	..	..	117.5	116.6
	O	..	..	82.1	..	..	118.2	116.7
	N	..	..	82.3	..	..	118.6	117.0
	D	..	..	82.1	..	..	120.3	118.7
1984	J	..	..	82.0	..	..	119.1	117.5
	F	..	..	81.8	..	..	118.9	117.1
	M	..	..	81.8	..	..	119.6	118.1
	A	..	..	81.8	..	..	118.9	117.3
	M	..	..	81.8	..	..	118.4	117.0
	J	..	..	81.9	..	..	118.9	117.5
		Percentage change, quarter on corresponding quarter of previous year						
1980	1	+0.7	−1.6	− 2.1	+0.8	+ 2.3	+1.7	+2.4
	2	—	−2.9	− 3.7	−3.8	− 4.6	−5.3	−3.4
	3	−1.1	−4.8	− 6.1	−3.2	− 3.9	−3.9	−1.2
	4	−2.4	−6.8	− 8.3	−3.7	− 4.3	−7.3	−2.7
1981	1	−3.3	−8.8	− 9.6	−1.8	− 1.0	−4.2	+0.4
	2	−3.8	−9.7	−10.0	+0.7	+ 4.4	+0.7	+3.2
	3	−3.6	−8.9	− 9.1	+3.2	+ 8.6	+6.7	+6.5
	4	−2.9	−7.6	− 7.3	+4.1	+10.9	+9.7	+7.5
1982	1	−2.1	−5.8	− 6.0	+3.6	+ 8.5	+8.6	+5.8
	2	−1.5	−4.6	− 5.0	+3.6	+ 8.0	+6.9	+5.3
	3	−1.5	−4.6	− 4.8	+3.0	+ 6.8	+4.0	+3.6
	4	−1.4	−4.7	− 4.9	+3.1	+ 4.8	+2.7	+2.4
1983	1	−1.4	−4.9	− 5.1	+3.6	+ 8.1	+5.9	+5.6
	2	−1.0	−4.7	− 4.6	+2.7	+ 6.4	+5.3	+4.9
	3	−0.2	−3.9	− 3.8	+3.0	+ 7.5	+7.1	+6.3
	4	+0.4	−3.2	− 2.8	+3.0	+ 8.9	+8.4	+7.1
1984	1	+1.0	−2.4	− 1.9	+2.1	+ 5.6	+4.8	+3.7
	2		−1.7	− 1.2		+ 1.9	+3.9	+2.9

[1] The ratios do not take into account part-time working or hours of work.
[2] Industries are grouped according to the Standard Industrial Classification 1980.


Output per person employed
1980 = 100
seasonally adjusted
Whole economy
110
105
100
95
Gross domestic product
per person employed
Gross domestic product
(output based)
1979
1980
1981
1982
1983
1984
Manufacturing (Revised definition)
120
115
110
105
100
95
90
85
Output per
person hour
Output per
person employed
Output
Monthly figures

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands		1980 = 100	Thousands
	Working population[2,3,4]	Employed labour force[2,3]	Employees in employment[2,3]	Thousands[4]	Percentage of employees[4,5]	Vacancies notified to employment offices§	Employees in employment	Average hours worked per operative[6]	Total unemployed including school-leavers[4]
1975	25 922	25 041	22 711	922.9	*3.9*	154.4	..	..	940.9
1976	26 131	24 809	22 524	1 249.1	*5.2*	122.2	..	103.0	1 301.7
1977	26 241	24 837	22 606	1 333.0	*5.6*	154.7	..	103.8	1 402.7
1978	26 372	24 984	22 762	1 319.1	*5.5*	210.3	106.3	103.5	1 382.9
1979	26 646	25 356	23 139	1 242.4	*5.1*	241.3	105.5	103.4	1 295.7
1980	26 869	25 284	22 950	1 560.8	*6.4*	143.0	100.0	100.0	1 664.9
1981	26 781	24 297	21 845	2 413.1	*9.9*	97.0	90.8	98.7	2 520.4
1982	26 831	23 959	21 446	2 793.2	*11.5*	111.3	86.0	100.5	2 916.9
1983	26 856	23 765	21 182	2 970.2	*12.3*	145.1	82.3	101.5	3 104.7
1981 *1*	26 840	24 520	22 094	2 166.0	*8.9*	96.9	93.4	96.7	2 305.7
2	26 780	24 296	21 844	2 362.2	*9.7*	90.4	91.3	98.2	2 391.8
3	26 874	24 189	21 718	2 515.1	*10.4*	97.0	89.7	99.7	2 615.6
4	26 836	24 077	21 591	2 609.1	*10.8*	103.7	88.6	100.2	2 768.4
1982 *1*	26 857	24 055	21 555	2 679.4	*11.1*	108.9	87.7	100.5	2 862.4
2	26 831	23 959	21 446	2 742.5	*11.3*	108.7	86.6	100.5	2 796.2
3	26 828	23 828	21 298	2 837.5	*11.7*	111.9	85.3	100.4	2 939.2
4	26 853	23 764	21 218	2 913.2	*12.0*	115.7	84.2	100.7	3 069.7
1983 *1*	26 876	23 725	21 162	3 003.0	*12.5*	121.5	83.1	101.0	3 199.0
2	26 856	23 765	21 182	2 986.2	*12.4*	137.0	82.5	101.0	3 067.7
3	26 928	23 832	21 229	2 949.8	*12.3*	160.5	82.0	101.6	3 066.0
4	27 012	23 944	21 323	2 941.9	*12.2*	161.5	81.7	102.6	3 085.9
1984 *1*	27 106	23 986	21 347	2 997.6	*12.5*	146.8	81.4	102.6	3 176.3
2				3 025.0	*12.6*	154.1	81.3		3 074.0
1982 *J*	..	..	..	2 670.5	*11.0*	107.8	87.9	100.3	2 896.3
F	..	..	..	2 679.8	*11.1*	109.8	87.7	100.6	2 870.2
M	..	..	..	2 687.9	*11.1*	109.1	87.5	100.7	2 820.8
A	..	..	..	2 715.1	*11.2*	108.7	87.0	100.3	2 818.5
M	..	..	..	2 739.8	*11.3*	109.0	86.6	100.5	2 800.5
J	..	..	..	2 772.7	*11.5*	108.5	86.2	100.6	2 769.6
J	..	..	..	2 813.8	*11.6*	112.1	85.7	100.3	2 852.5
A	..	..	..	2 832.4	*11.7*	113.0	85.3	100.4	2 898.8
S	..	..	..	2 866.4	*11.9*	110.7	85.0	100.4	3 066.2
O	..	..	..	2 885.4	*11.9*	115.4	84.6	100.7	3 049.0
N	..	..	..	2 905.5	*12.0*	115.2	84.1	100.7	3 063.0
D	..	..	..	2 948.8	*12.2*	116.5	83.8	100.8	3 097.0
1983 *J*	..	..	..	2 982.7	*12.4*	118.3	83.3	100.9	3 225.2
F	..	..	..	3 000.6	*12.5*	121.3	83.2	100.9	3 199.4
M	..	..	..	3 025.7	*12.6*	124.9	82.9	101.2	3 172.4
A	..	..	..	3 021.1	*12.6*	133.7	82.7	101.0	3 169.9
M	..	..	..	2 969.9	*12.3*	134.0	82.4	101.1	3 049.4
J	..	..	..	2 967.7	*12.3*	143.3	82.3	100.9	2 983.9
J	..	..	..	2 957.3	*12.3*	153.9	82.1	101.3	3 020.6
A	..	..	..	2 940.9	*12.2*	160.5	82.0	101.6	3 009.9
S	..	..	..	2 951.3	*12.3*	167.0	81.8	101.8	3 167.4
O	..	..	..	2 941.0	*12.2*	168.1	81.7	102.5	3 094.0
N	..	..	..	2 938.5	*12.2*	163.2	81.8	102.7	3 084.4
D	..	..	..	2 946.1	*12.2*	153.3	81.7	102.6	3 079.4
1984 *J*	..	..	..	2 975.0	*12.4*	147.6	81.5	102.6	3 199.7
F				3 005.1	*12.5*	145.4	81.4	102.8	3 186.4
M	..	..	..	3 011.6	*12.5*	147.3	81.3	102.5	3 142.8
A	..	..	..	3 010.9	*12.5*	147.9	81.3	102.6	3 107.7
M	..	..	..	3 027.9	*12.6*	155.7	81.3	102.4	3 084.5
J	..	..	..	3 038.0	*12.6*	158.7	81.4		3 029.7
J	..	..	..	3 053.9	*12.7*	164.2			3 100.5

[1] Unemployment figures do not include students registered for temporary employment during a current vacation.

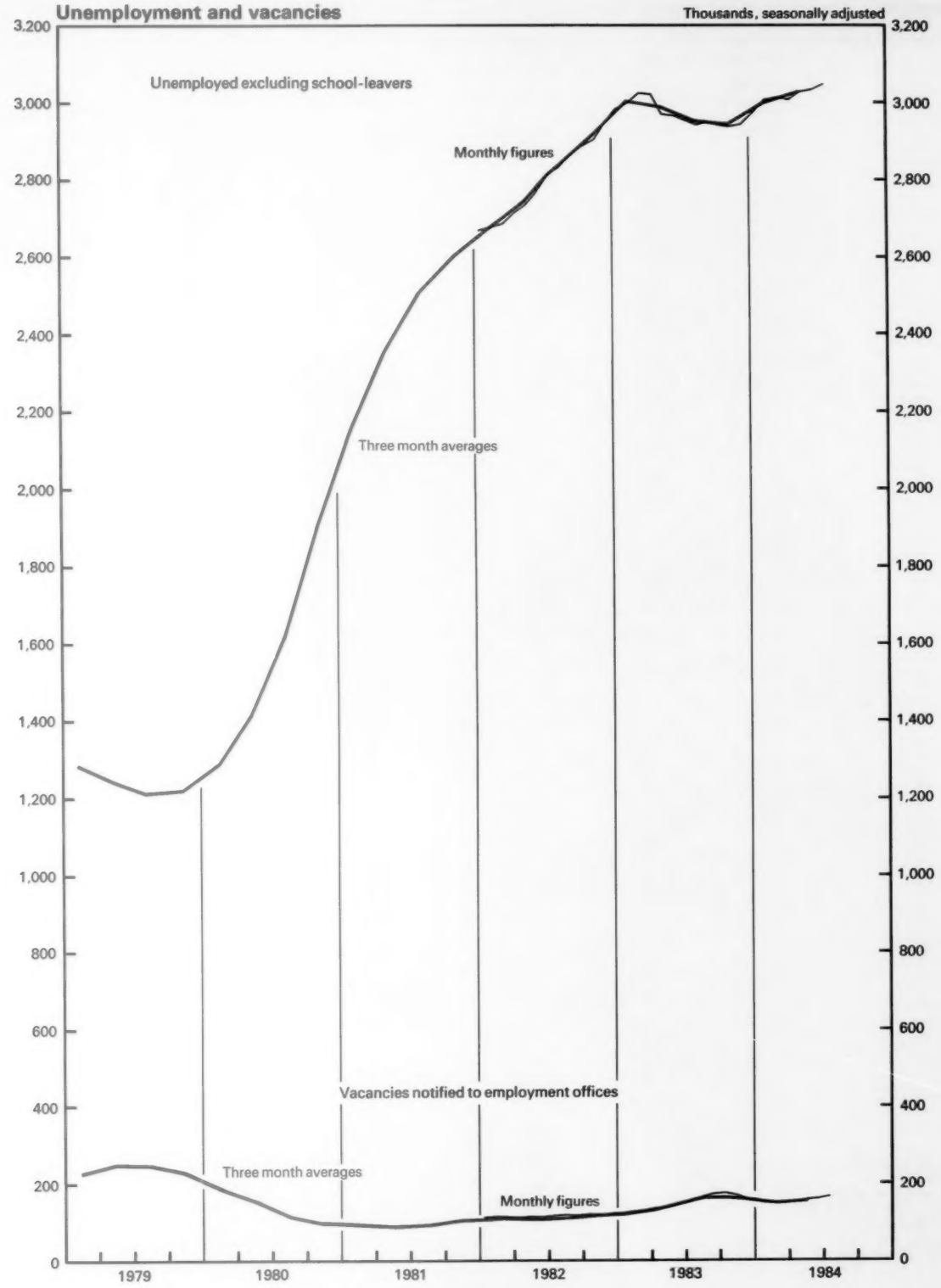
[2] The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of the working population and of the employed labour force from September 1981, and employees in employment from December 1981, include an allowance for underestimation. See article on Page 319 of *Employment Gazette* July 1984.

[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] From April 1 1983, the figures reflect the effects of the provisions in the 1983 Budget for some men aged 60 and over who no longer have to sign on at an unemployment benefit office.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies notified to employment offices
Three month averages
Monthly figures
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
1979
1980
1981
1982
1983
1984

Regional unemployment rates[1]

Seasonally adjusted

Per cent

		North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
1978	3	8.0	5.5	4.5	4.6	3.8	5.9	5.0
	4	8.0	5.3	4.4	4.5	3.6	5.6	4.9
1979	1[2]	8.0	5.4	4.4	4.4	3.5	5.5	4.9
	2[2]	7.8	5.2	4.2	4.2	3.4	5.3	4.9
	3[2]	7.8	5.1	4.1	4.0	3.2	5.1	4.9
	4[2]	7.9	5.1	4.2	3.9	3.1	5.0	4.9
1980	1[2]	8.4	5.5	4.4	4.0	3.3	5.1	5.2
	2[2]	9.2	6.2	5.0	4.5	3.6	5.5	5.9
	3[2]	10.0	7.1	6.0	5.3	4.2	6.3	7.1
	4[2]	11.3	8.5	7.2	6.3	5.1	7.3	8.9
1981	1[2]	13.0	9.9	8.4	7.3	5.9	8.1	10.5
	2[2]	13.7	10.7	9.2	7.9	6.6	8.8	11.7
	3[2,3]	14.5	11.4	9.6	8.3	7.2	9.3	12.5
	4[2,3]	14.9	11.8	9.9	8.7	7.6	9.7	13.0
1982	1	15.0	12.1	10.1	9.0	7.9	9.9	13.6
	2	15.4	12.4	10.3	9.1	8.1	10.0	13.8
	3	16.1	12.7	10.6	9.4	8.4	10.3	14.2
	4	16.3	13.1	11.0	10.0	8.7	10.7	14.6
1983	1	16.9	13.7	11.7	10.1	9.0	11.2	15.2
	2[4]	16.9	13.5	11.4	9.9	9.0	10.8	15.2
	3	16.6	13.2	11.2	9.7	8.9	10.6	14.8
	4	16.6	13.1	11.1	9.6	9.0	10.7	14.5
1984	1	16.9	13.4	11.5	9.8	9.2	11.0	14.5
	2	17.3	13.6	11.6	9.8	9.3	11.1	14.6

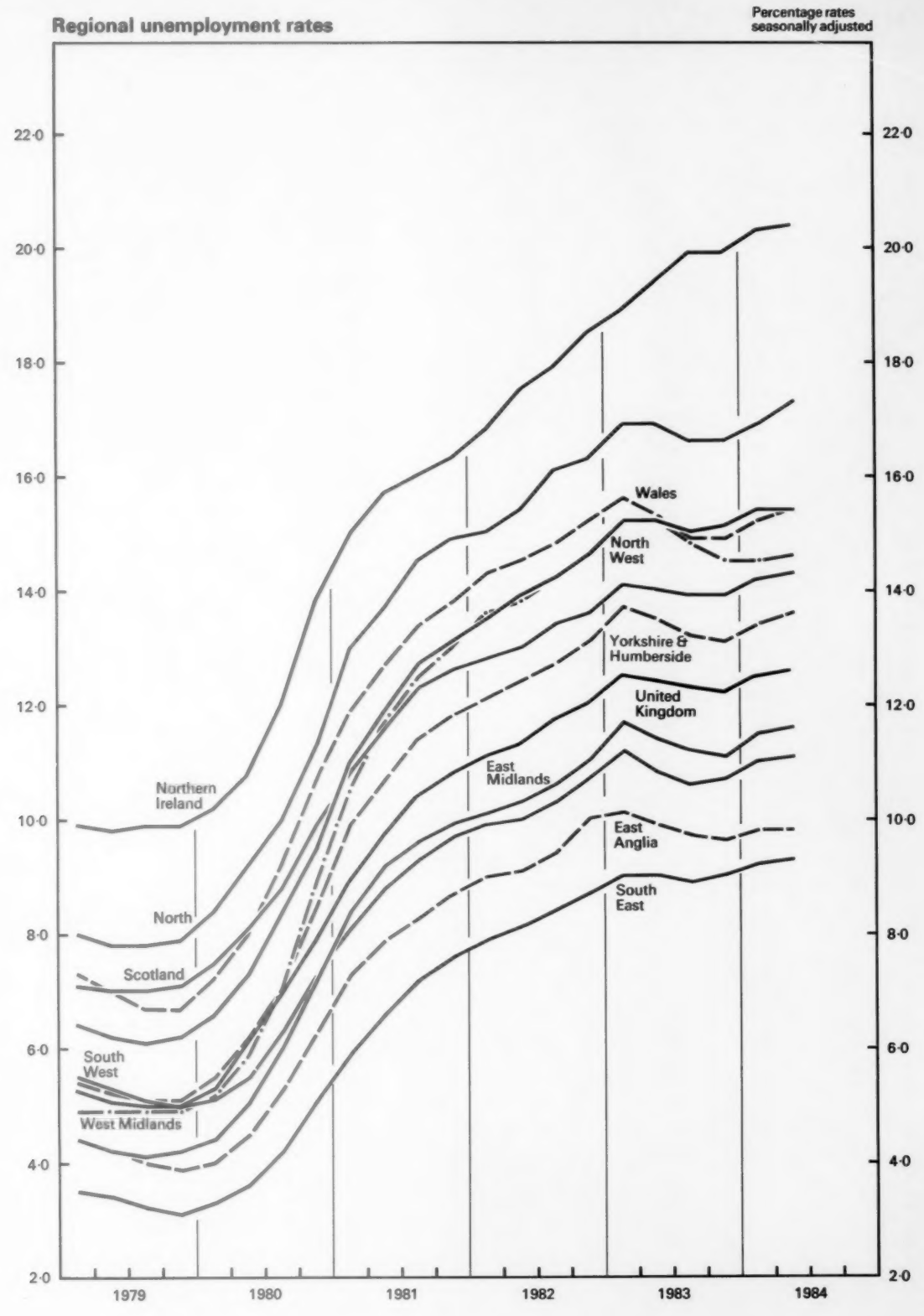
		North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1978	3	6.6	7.3	7.2	5.4	10.3	5.5
	4	6.4	7.1	7.1	5.2	9.9	5.3
1979	1[2]	6.4	7.3	7.1	5.2	9.9	5.3
	2[2]	6.2	7.0	7.0	5.0	9.8	5.1
	3[2]	6.1	6.7	7.0	4.9	9.9	5.0
	4[2]	6.2	6.7	7.1	4.9	9.9	5.0
1980	1[2]	6.6	7.2	7.5	5.2	10.2	5.3
	2[2]	7.3	8.0	8.1	5.7	10.8	5.8
	3[2]	8.2	9.2	8.8	6.5	12.0	6.7
	4[2]	9.5	10.7	9.9	7.7	13.8	7.9
1981	1[2]	11.0	11.9	10.8	8.8	15.0	8.9
	2[2]	11.9	12.7	11.6	9.6	15.7	9.7
	3[2,3]	12.7	13.4	12.3	10.2	16.0	10.4
	4[2,3]	13.1	13.8	12.6	10.6	16.3	10.8
1982	1	13.5	14.3	12.8	10.9	16.8	11.1
	2	13.9	14.5	13.0	11.2	17.5	11.3
	3	14.2	14.8	13.4	11.6	17.9	11.7
	4	14.6	15.2	13.6	11.9	18.5	12.0
1983	1	15.2	15.6	14.1	12.3	18.9	12.5
	2[4]	15.2	15.3	14.0	12.2	19.4	12.4
	3	15.0	14.9	13.9	12.1	19.9	12.3
	4	15.1	14.9	13.9	12.0	19.9	12.2
1984	1	15.4	15.2	14.2	12.3	20.3	12.5
	2	15.4	15.4	14.3	12.4	20.4	12.6

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The seasonally adjusted series have been revised as described in the December 1982 *Employment Gazette*.

[3] The recorded unemployment figures for July to October 1981 are overstated by about 20,000 (net) as a result of industrial action at benefit offices. The seasonally adjusted totals for Great Britain and the United Kingdom have been reduced to allow for this. No adjustment has been made to other unemployment figures.

[4] From 1 April 1983, the figures reflect the effects of the provisions in the 1983 Budget for some men aged sixty and over who no longer have to sign on at an unemployment benefit office.


Regional unemployment rates
Percentage rates seasonally adjusted
22·0
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
1979
1980
1981
1982
1983
1984
Wales
North West
Yorkshire & Humberside
United Kingdom
East Midlands
East Anglia
South East
Northern Ireland
North
Scotland
South West
West Midlands

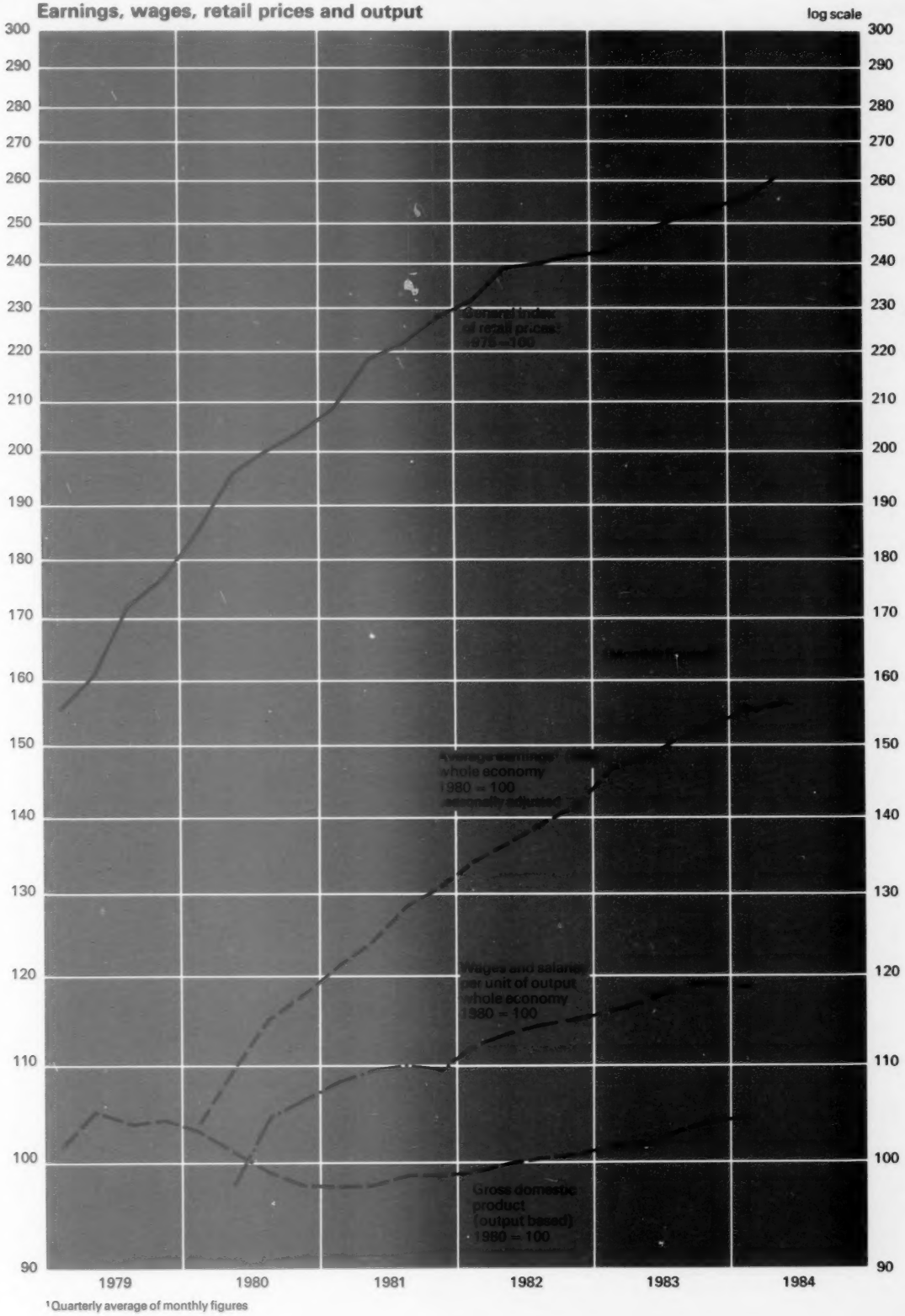
Wage rates and earnings

	Unadjusted		Seasonally adjusted[1]							
	31 July 1972 = 100[2]		January 1980 = 100						1980 = 100	
	Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
	All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Production industries[3]	*Percentage increase on year earlier*	Manufacturing industry[3]	*Percentage increase on year earlier*	Whole economy	Manufacturing industry[4]
1973	115.3	114.6	..	..	..	..	..	..	35.3	33.9
1974	138.0	134.3	..	..	..	..	..	..	42.8	40.3
1975	178.7	174.4	..	..	..	..	..	..	55.8	52.2
1976	213.2	209.0	..	..	..	..	..	..	61.3	57.8
1977	227.3	218.9	..	..	..	..	..	..	65.5	62.7
1978	259.3	258.8	..	..	..	..	..	..	72.6	71.1
1979	298.1	297.5	..	..	..	..	..	..	82.8	81.9
1980	351.8	348.5	111.4	..	109.3	..	109.1	..	100.0	100.0
1981	387.7	381.7	125.8	*12.9*	124.1	*13.5*	123.6	*13.3*	109.0	109.7
1982	414.3	404.1	137.6	*9.4*	138.2	*11.4*	137.4	*11.2*	113.5	115.6
1983	437.8	424.7	149.2	*8.4*	150.0	*8.5*	149.8	*9.0*	117.5	118.1
1981 *2*	385.6	379.4	123.7	*13.1*	121.2	*12.2*	120.6	*11.9*	109.5	108.8
3	391.2	383.2	128.1	*11.6*	126.7	*12.8*	126.2	*12.6*	109.4	109.7
4	396.8	391.4	130.9	*11.2*	130.1	*13.6*	129.8	*13.6*	108.7	111.2
1982 *1*	404.5	397.6	133.9	*11.0*	134.0	*13.1*	133.1	*12.9*	111.4	113.4
2	413.0	401.8	136.4	*10.3*	136.9	*13.0*	136.4	*13.1*	113.3	115.0
3	417.3	404.5	139.0	*8.5*	139.3	*9.9*	138.5	*9.7*	113.9	115.8
4	422.7	412.3	141.2	*7.9*	142.6	*9.6*	141.7	*9.2*	114.8	118.2
1983 *1*	429.3	419.1	146.0	*9.0*	145.0	*8.2*	144.6	*8.6*	115.8	116.4
2	436.2	422.2	147.9	*8.4*	148.4	*8.4*	148.0	*8.5*	116.9	118.6
3	440.0	424.7	150.4	*8.2*	151.4	*8.7*	151.0	*9.0*	118.0	117.8
4	445.6	432.7	152.5	*8.0*	155.3	*8.9*	155.5	*9.7*	118.9	119.7
1984 *1*			154.9	*6.1*	155.8	*7.4*	158.3	*9.5*	118.3	121.3
2			155.9[5]	*5.4*[5]	155.2[5]	*4.6*[5]	160.1[5]	*8.2*[5]		
1981 *J*	390.7	382.3	125.8	*12.1*	124.8	*11.8*	124.2	*11.4*	..	109.4
A	391.2	383.1	128.9	*13.0*	127.3	*13.6*	126.9	*13.4*	..	110.4
S	391.6	384.1	129.5	*9.7*	127.9	*13.1*	127.4	*12.9*	..	109.9
O	393.0	386.2	130.2	*12.0*	129.9	*14.6*	129.4	*14.5*	..	110.1
N	398.7	394.0	130.8	*11.5*	130.0	*13.5*	129.9	*13.4*	..	110.8
D	398.8	394.0	131.7	*10.1*	130.5	*13.0*	130.2	*12.7*	..	112.7
1982 *J*	403.6	397.2	132.8	*10.9*	132.6	*13.0*	132.0	*13.3*	..	113.8
F	404.5	397.8	134.3	*11.3*	134.7	*13.5*	132.8	*12.4*	..	112.3
M	405.3	397.9	134.7	*11.0*	134.6	*12.7*	134.4	*13.0*	..	114.0
A	410.6	400.1	135.4	*10.4*	136.1	*13.7*	136.0	*14.1*	..	115.3
M	412.3	402.0	136.7	*10.6*	136.9	*13.6*	136.5	*13.8*	..	113.7
J	416.1	403.4	137.0	*9.8*	137.6	*11.4*	136.7	*11.5*	..	116.1
J	416.9	403.9	139.5	*10.9*	138.5	*11.0*	137.8	*11.0*	..	116.1
A	417.2	404.4	138.6	*7.5*	139.3	*9.4*	138.4	*9.1*	..	116.0
S	417.8	405.3	138.9	*7.3*	140.2	*9.6*	139.3	*9.3*	..	115.3
O	418.2	405.4	139.8	*7.4*	141.1	*8.6*	140.9	*8.9*	..	117.9
N	424.8	415.8	141.7	*8.3*	142.8	*9.8*	141.6	*9.0*	..	118.9
D	425.0	415.8	142.0	*7.8*	143.8	*10.2*	142.7	*9.6*	..	117.8
1983 *J*	428.6	418.8	144.5	*8.8*	144.6	*9.0*	144.0	*9.1*	..	115.4
F	429.2	419.1	147.2	*9.6*	145.2	*7.8*	144.8	*9.0*	..	116.7
M	430.2	419.4	146.3	*8.6*	145.3	*7.9*	145.0	*7.9*	..	117.1
A	434.2	420.7	147.0	*8.6*	148.5	*9.1*	148.1	*8.9*	..	119.2
M	435.4	422.3	148.6	*8.7*	148.4	*8.4*	148.2	*8.6*	..	118.4
J	438.9	423.6	148.2	*8.2*	148.2	*7.7*	147.8	*8.1*	..	118.2
J	439.6	424.5	150.3	*7.7*	150.0	*8.3*	149.7	*8.6*	..	116.7
A	439.9	424.7	150.2	*8.4*	151.3	*8.6*	150.8	*9.0*	..	118.1
S	440.5	424.9	150.7	*8.5*	153.0	*9.1*	152.4	*9.4*	..	118.6
O	441.3	425.0	152.0	*8.7*	155.4	*10.1*	154.4	*9.6*	..	119.5
N	447.7	436.5	152.1	*7.3*	154.7	*8.3*	155.6	*9.9*	..	120.1
D	447.7	436.5	153.4	*8.0*	155.8	*8.3*	156.6	*9.7*	..	119.2
1984 *J*			154.7	*7.1*	156.0	*7.9*	157.0	*9.0*	..	120.6
F			155.6	*5.7*	157.8	*8.7*	158.7	*9.6*	..	122.2
M			154.4	*5.5*	153.7	*5.8*	159.2	*9.8*	..	121.8
A			155.8	*6.0*	154.5	*4.0*	159.5	*7.7*	..	122.8
M			156.0	*5.0*	154.7	*4.2*	159.5	*7.6*	..	123.3
J			155.8[5]	*5.1*[5]	156.2[5]	*5.4*[5]	161.3[5]	*9.1*[5]	..	

[1] The seasonal adjustment factors currently used are based on data up to December 1982.
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.
[3] Revised definition.
[4] This index, based on the monthly indices of average earnings, employment and output adjusted for movements in stocks, now relates to individual months, whereas in the past it has related to a centred 3 month average and has not been stock adjusted.
[5] Provisional.

Calculation of indices of basic weekly wage rates ceased after December 1983

Earnings, wages, retail prices and output

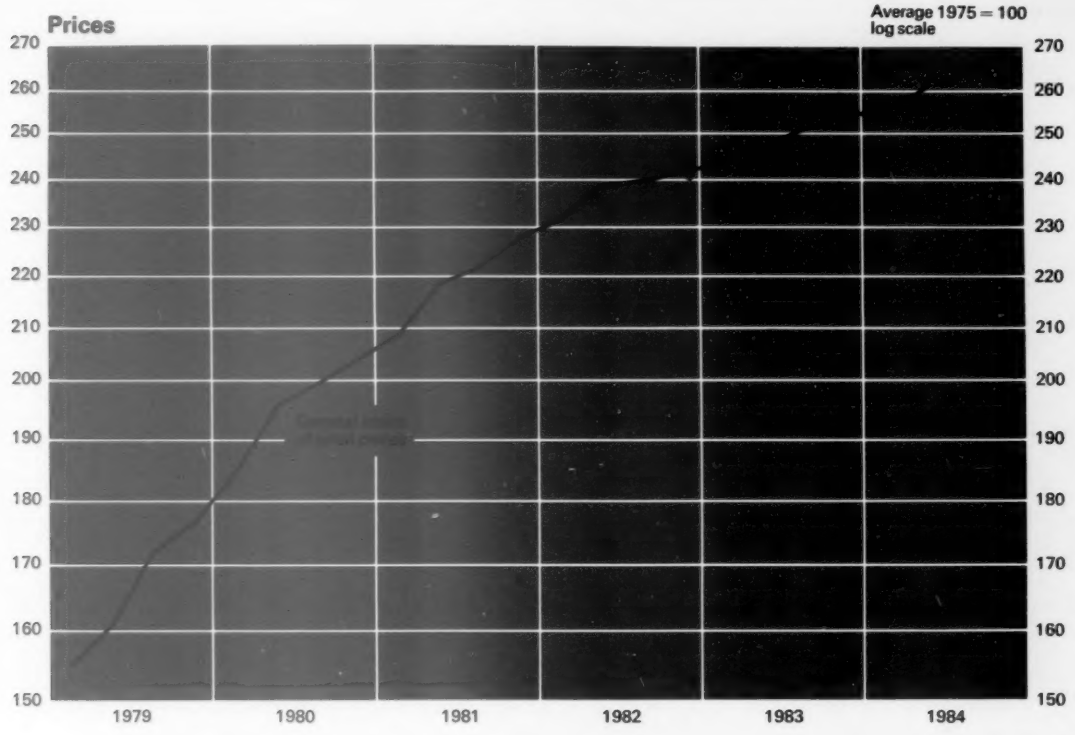


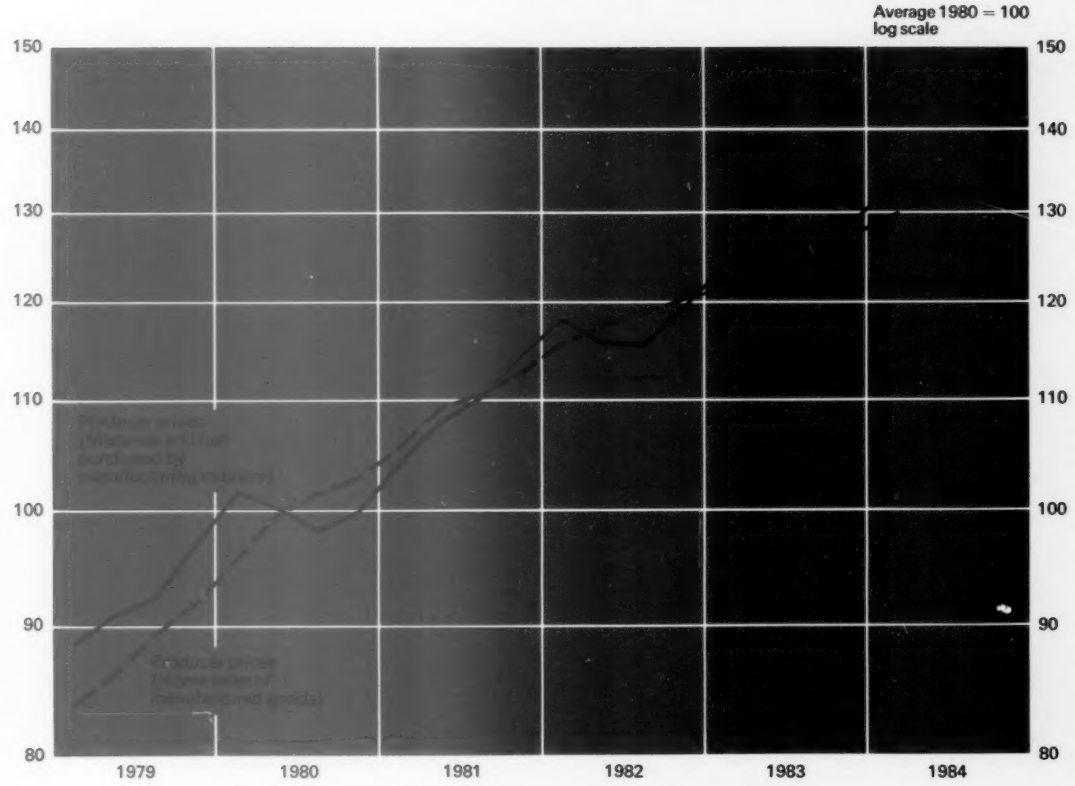
[1] Quarterly average of monthly figures

Prices

	Unadjusted										
	Average 1980 = 100		Average 1975 = 100								Average 1980 = 100p
	Producer price index		General index of retail prices						Pensioner price index[1]		
		Output	All items				All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry	All manufactured products: Home sales	Index	*Percentage increase on year earlier*	Total food	Total non-food	Index	*Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[2]
1973	..	..	69.4	*9.2*	67.5	70.1	69.4	*8.3*	68.4	68.7	282
1974	49.1	42.6	80.5	*16.1*	79.6	80.8	80.5	*16.0*	79.5	79.8	243
1975	54.9	52.4	100.0	*24.2*	100.0	100.0	100.0	*24.2*	100.0	100.0	196
1976	68.4	60.9	116.5	*16.5*	120.0	115.6	115.8	*15.8*	119.1	118.8	168
1977	78.9	72.0	135.0	*15.8*	142.8	132.8	134.3	*16.0*	139.1	138.7	145
1978	81.6	79.1	146.2	*8.3*	152.9	144.3	146.4	*9.0*	150.4	149.8	134
1979	92.2	87.7	165.8	*13.4*	171.3	164.3	165.9	*13.3*	168.0	167.6	118
1980	100.0	100.0	195.6	*18.0*	191.9	196.5	196.4	*18.4*	195.7	194.6	100
1981	109.2	109.5	218.9	*11.9*	208.2	221.6	219.8	*11.9*	218.0	217.2	89
1982	117.2	118.0	237.7	*8.6*	224.5	241.3	238.3	*8.5*	238.3	236.8	82
1983	125.3	124.4	248.6	*4.6*	231.7	253.1	249.5	*4.7*	249.0	247.6	79
1980 *2*	100.0	99.7	195.3	*21.5*	192.0	196.1	195.8	*22.3*	194.1	193.5	100
3	98.4	101.5	199.4	*16.4*	194.5	200.7	200.4	*16.5*	199.2	197.9	98
4	99.9	102.9	203.2	*15.3*	195.5	206.1	204.3	*15.6*	203.7	201.9	96
1981 *1*	104.2	105.7	208.0	*12.7*	201.6	209.5	209.0	*13.1*	209.8	208.2	94
2	107.7	109.1	218.1	*11.7*	207.8	220.8	218.9	*11.8*	216.4	215.7	90
3	110.1	110.5	221.9	*11.2*	209.2	225.2	223.0	*11.3*	220.1	219.6	80
4	114.8	112.8	227.4	*11.9*	214.2	230.8	228.2	*11.7*	225.6	225.1	86
1982 *1*	118.0	115.7	231.1	*11.1*	223.3	233.1	231.2	*10.7*	232.7	231.6	85
2	115.9	117.5	238.5	*9.4*	228.1	241.3	238.2	*8.9*	238.8	237.3	82
3	115.4	118.7	239.5	*8.0*	222.8	244.0	240.9	*8.0*	239.3	237.6	82
4	119.4	120.1	241.4	*6.2*	223.9	246.2	243.1	*6.5*	242.5	240.8	81
1983 *1*	124.5	121.7	242.6	*4.9*	226.6	247.0	243.9	*5.5*	245.3	243.3	81
2	123.6	124.2	247.6	*3.8*	229.8	252.4	248.6	*4.4*	247.6	246.3	79
3	124.7	125.1	250.7	*4.6*	232.8	255.6	251.6	*4.4*	249.6	248.4	78
4	128.4	126.8	253.6	*5.0*	237.4	258.0	253.9	*4.4*	253.6	252.4	77
1984 *1*	133.5	129.0	255.1	*5.2*	241.3	258.7	255.2	*4.6*	256.8	255.4	77
2	134.1[3]	132.0[3]	260.3	*5.1*	246.9	263.8	260.0	*4.6*	261.9	261.1	75
1982 *J*	115.8	118.3	239.6	*8.7*	224.7	243.5	240.3	*8.6*	..	..	82
A	115.0	118.6	239.7	*8.0*	221.7	244.4	241.2	*8.0*	..	..	82
S	115.4	119.3	239.5	*7.3*	222.0	244.1	241.2	*7.5*	..	..	82
O	116.5	119.7	240.7	*6.8*	222.4	245.5	242.5	*7.2*	..	..	81
N	119.0	120.0	241.9	*6.3*	224.2	246.6	243.7	*6.6*	..	..	81
D	122.8	120.6	241.5	*5.4*	225.1	245.8	243.1	*5.8*	..	..	81
1983 *J*	124.1	121.2	241.8	*4.9*	226.4	245.8	243.2	*5.5*	..	..	81
F	125.4	121.7	242.8	*5.3*	226.6	247.0	244.1	*5.8*	..	..	81
M	124.2	122.4	243.2	*4.6*	226.9	247.6	244.6	*5.2*	..	..	80
A	123.1	123.6	246.7	*4.0*	228.5	251.5	247.8	*4.6*	..	..	79
M	123.8	124.3	247.7	*3.7*	229.3	252.5	248.9	*4.4*	..	..	79
J	124.0	124.6	248.3	*3.7*	231.7	252.7	249.2	*4.1*	..	..	79
J	123.2	124.7	249.6	*4.2*	231.6	254.5	250.7	*4.3*	..	..	78
A	124.6	124.9	250.7	*4.6*	232.1	255.7	251.8	*4.4*	..	..	78
S	126.5	125.7	251.9	*5.1*	234.8	256.4	252.4	*4.6*	..	..	78
O	126.2	126.2	252.7	*5.0*	235.9	257.1	253.2	*4.4*	..	..	77
N	127.4	126.8	253.6	*4.8*	237.1	257.9	254.0	*4.2*	..	..	77
D	131.6	127.3	254.3	*5.3*	238.9	258.2	254.4	*4.7*	..	..	77
1984 *J*	133.5	128.0	254.2	*5.1*	239.9	257.9	254.3	*4.6*	..	..	77
F	134.2	128.8	255.2	*5.1*	241.1	258.9	255.2	*4.5*	..	..	77
M	132.9	130.3	256.0	*5.2*	242.9	259.4	256.0	*4.7*	..	..	76
A	133.8	131.7[3]	259.4	*5.2*	245.5	263.0	259.1	*4.6*	..	..	75
M	134.3	132.1[3]	260.4	*5.1*	247.1	263.9	260.0	*4.5*	..	..	75
J	134.1[3]	132.2[3]	261.1	*5.1*	248.0	264.4	260.9	*4.7*	..	..	75
J	133.6[3]	132.5[3]	260.8	*4.5*	246.4	264.6	261.1	*4.1*	..	..	75

[1] All items except housing.
[2] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[3] Provisional.


Prices
Average 1975 = 100
log scale
270
260
250
240
230
220
210
200
190
180
170
160
150
1979
1980
1981
1982
1983
1984

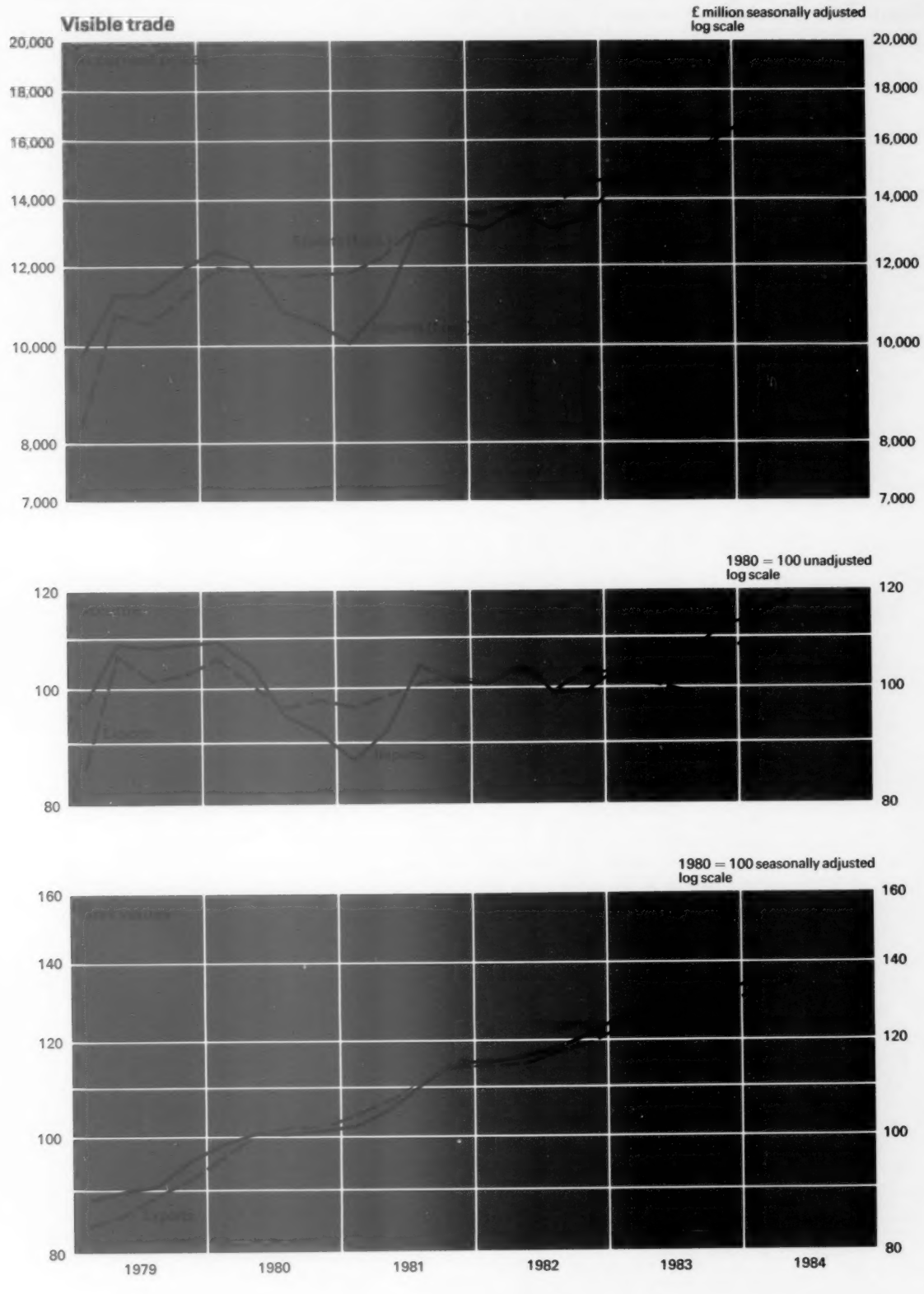

Average 1980 = 100
log scale
150
140
130
120
110
100
90
80
1979
1980
1981
1982
1983
1984

Visible trade

	Seasonally adjusted		Unadjusted		
	1980 = 100		1980 = 100		
	Volume indices[1]		Unit value indices[1]		
	Exports	Imports	Exports	Imports	Terms of trade[2]
1973	75.6	91.9	32.6	34.8	93.7
1974	81.0	92.7	41.5	50.9	81.5
1975	77.8	84.7	50.9	58.0	87.6
1976	85.4	89.7	60.8	70.9	85.7
1977	92.1	91.3	72.0	82.1	87.7
1978	94.5	95.5	79.1	85.2	92.7
1979	99.1	105.7	87.6	90.9	96.4
1980	100.0	100.0	100.0	100.0	100.0
1981	99.2	96.1	108.8	108.1	100.7
1982	101.5	100.7	116.7	117.9	99.0
1983	102.3	107.6	126.6	128.6	98.4
1981 *2*	97.8	91.9	107.1	105.2	101.8
3	100.7	104.3	110.7	110.3	100.4
4	102.0	101.1	113.6	115.3	98.5
1982 *1*	100.7	100.4	114.7	115.2	99.6
2	103.2	104.0	114.8	116.7	98.3
3	98.9	98.8	117.7	118.3	99.4
4	103.1	99.5	119.6	121.4	98.5
1983 *1*	102.3	104.5	123.6	126.3	97.9
2	100.3	106.6	125.6	128.1	98.1
3	99.3	106.6	127.9	128.9	99.2
4	107.4	112.7	129.2	131.0	98.6
1984 *1*	109.5	113.2	132.6	136.1	97.4
2	108.3	118.2	134.9	139.0	97.1
1981 *J*	97.3	96.0	107.8	106.5	101.3
J	99.8	100.8	109.3	107.9	101.3
A	102.7	112.0	111.3	109.9	101.3
S	99.6	100.0	111.6	113.1	98.7
O	103.8	98.0	113.0	115.4	97.9
N	100.9	105.8	113.8	115.3	98.7
D	101.3	99.7	113.9	115.1	99.0
1982 *J*	98.5	99.3	114.5	114.4	100.1
F	100.3	96.8	115.2	115.6	99.6
M	103.5	105.1	114.5	115.5	99.1
A	105.2	104.7	114.3	116.2	98.3
M	103.3	105.6	114.4	116.8	98.0
J	101.1	101.7	115.5	117.1	98.7
J	99.3	98.8	116.6	117.5	99.2
A	95.3	96.6	117.8	118.3	99.6
S	102.2	100.8	118.6	119.2	99.5
O	100.8	99.4	118.7	121.0	98.1
N	104.8	98.7	119.0	120.9	98.4
D	103.8	100.4	121.1	122.3	99.0
1983 *J*	97.6	105.8	122.6	124.1	98.7
F	102.7	104.7	123.6	126.3	97.9
M	106.6	103.0	124.6	128.5	97.0
A	98.5	105.0	125.9	129.2	97.5
M	98.6	109.3	125.2	128.2	97.7
J	103.9	105.4	125.7	126.9	99.1
J	96.9	106.2	126.8	128.1	99.0
A	98.9	106.5	128.2	129.3	99.2
S	102.0	107.2	128.7	129.3	99.5
O	103.2	118.0	128.4	130.3	98.5
N	104.8	108.2	128.9	130.7	98.7
D	114.3	112.1	130.2	131.9	98.7
1984 *J*	101.8	111.7	132.5	135.1	98.1
F	115.4	110.2	132.8	136.4	97.4
M	111.3	117.9	132.5	136.7	96.9
A	104.4	122.4	133.9	138.6	96.6
M	108.5	115.0	134.9	139.3	96.8
J	112.0	117.3	136.1	139.1	97.8

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.

Visible trade



Measures of UK competitiveness in trade in manufactures

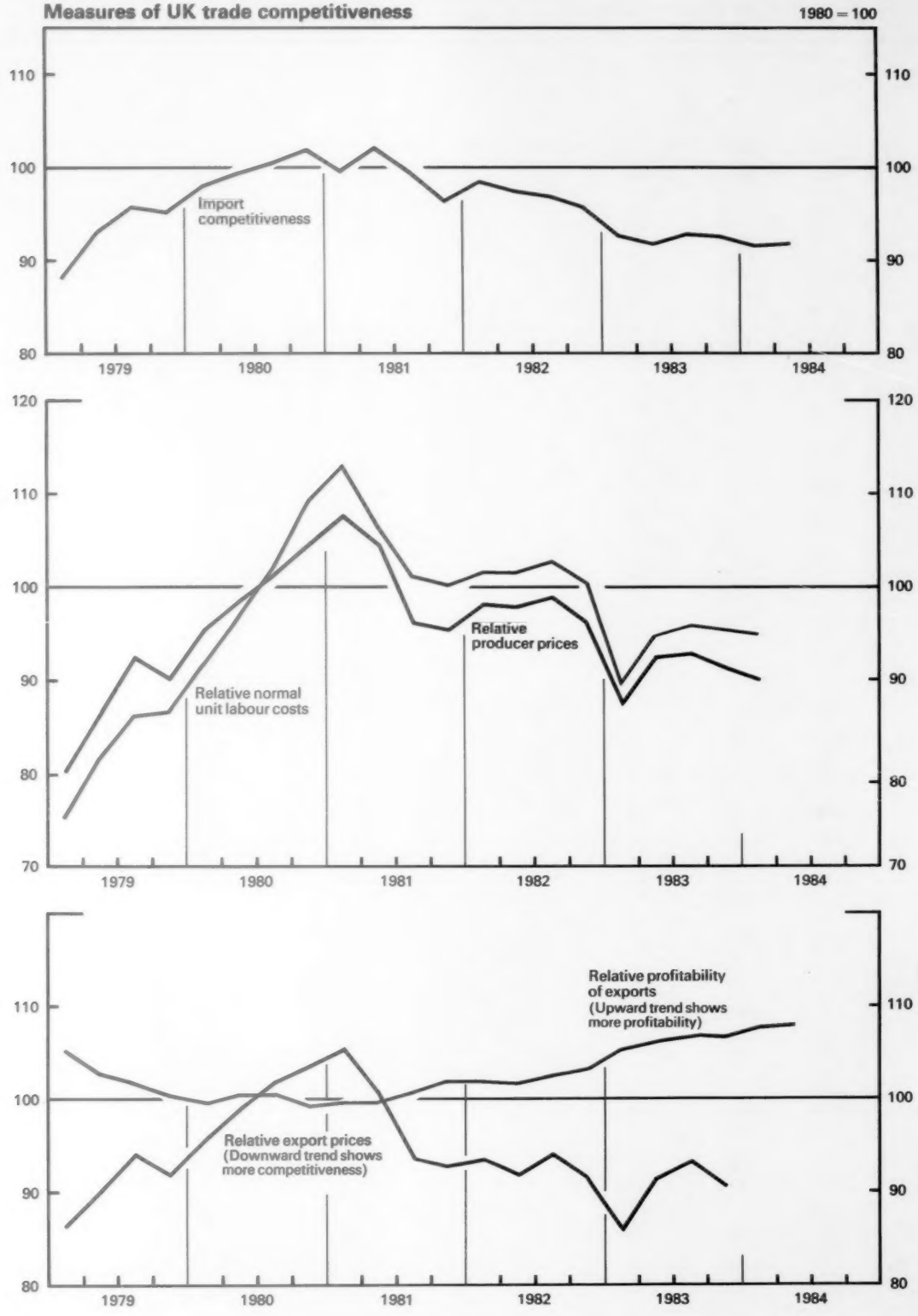
1980 = 100

	Summary measures[1]						Export unit value index[2]				
	Relative export prices[3]	Relative producer prices[3]	IMF index of relative unit labour costs[2] Actual	Normalised	Import price competitiveness[4]	Relative profitability of exports[4]	United Kingdom	United States	Japan	France	Federal Republic of Germany
1978	84.5	78.6	68.3	71.1	86.1	106.5	68.4	79	89	78	84
1979	90.4	87.3	80.9	82.5	93.1	102.5	82.6	91	94	90	94
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100
1981	98.1	100.8	101.2	105.1	99.3	100.5	93.1	112	106	87	85
1982	92.7	97.7	95.0	101.3	97.2	102.4	86.4	118	101	83	85
1983	90.1	91.0	85.5	93.7	92.5	106.1	81.7	120	97	79	82
1982 *1*	93.4	98.0	96.0	101.1	98.5	102.0	89.5	120	105	87	85
2	91.9	97.8	95.2	101.1	97.5	101.7	86.9	119	102	86	86
3	94.0	98.8	95.2	102.4	96.9	102.6	85.9	118	98	79	83
4	91.5	96.1	93.5	100.5	95.9	103.2	83.2	119	95	80	83
1983 *1*	85.7	87.4	81.7	89.4	92.7	105.2	80.2	121	98	83	86
2	91.1	92.4	86.7	94.7	91.8	106.0	83.3	120	97	79	84
3	93.1	92.8	86.8	95.7	92.9	106.6	82.5	120	95	77	78
4	90.6	91.3	86.8	95.1	92.7	106.5	80.9	120	99	77	78
1984 *1*		90.1	86.0	94.8	91.5	107.6	81.0	121			
2					91.7	107.9					
	Percentage change, quarter on corresponding quarter of previous year.										
1982 *1*	*– 11.4*	*– 8.5*	*– 13.0*	*– 10.6*	*– 1.1*	*+ 2.3*	*– 12.9*	*+ 11*	*– 4*	*– 6*	*– 5*
2	*– 8.9*	*– 6.4*	*– 7.8*	*– 5.1*	*– 4.6*	*+ 2.0*	*– 7.8*	*+ 8*	*– 3*	*+ 1*	*+ 4*
3	*+ 0.7*	*+ 2.9*	*– 1.7*	*+ 1.4*	*– 2.5*	*+ 1.9*	*+ 0.4*	*+ 4*	*– 4*	*– 6*	*+ 5*
4	*– 1.3*	*+ 0.8*	*– 1.1*	*+ 0.8*	*– 0.4*	*+ 1.2*	*– 7.3*	*+ 2*	*– 11*	*– 7*	*– 5*
1983 *1*	*– 8.3*	*– 10.9*	*– 14.9*	*– 11.6*	*– 5.9*	*+ 3.1*	*– 10.4*	*+ 1*	*– 7*	*– 4*	*+ 1*
2	*– 0.9*	*– 5.5*	*– 8.9*	*– 6.3*	*– 5.8*	*+ 4.2*	*– 4.1*	*+ 1*	*– 5*	*– 8*	*– 2*
3	*– 0.9*	*– 6.1*	*– 8.8*	*– 6.5*	*– 4.2*	*+ 3.9*	*– 4.0*	*+ 2*	*– 3*	*– 3*	*– 6*
4	*– 1.0*	*– 5.0*	*– 7.2*	*– 5.4*	*– 3.3*	*+ 3.2*	*– 2.8*	*+ 1*	*+ 4*	*– 4*	*– 6*
1984 *1*		*+ 3.1*	*+ 5.3*	*+ 6.0*	*– 1.3*	*+ 2.3*	*+ 1.0*				
2					*– 0.1*	*+ 1.8*					

	Producer price index[2]					Unit labour costs index[2]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom[5]	United States	Japan	France	Federal Republic of Germany
1978	63.3	78.1	89.1	72.5	80.4	59	84	110	77	83
1979	78.6	87.5	90.9	85.5	92.2	75	90	103	88	92
1980	100.0	100.0	100.0	100.0	100.0	100	100	100	100	100
1981	95.2	109.3	103.4	87.9	86.8	96	106	107	88	85
1982	88.7	112.0	92.7	81.1	85.5	87	116	102	81	82
1983	81.1	113.1	95.5	76.1	82.5	77	115		75	77
1982 *1*	91.8	111.6	98.3	85.6	87.3	90	115	105	86	83
2	89.8	111.5	94.1	84.0	86.9	88	116	103	84	83
3	88.0	112.4	89.2	77.2	84.0	86	116	98	78	81
4	85.1	112.5	89.0	77.5	83.7	83	117	100	77	81
1983 *1*	80.2	112.3	96.7	81.2	86.7	77	118	111	81	82
2	83.0	112.5	95.4	76.8	84.3	79	116	109	76	79
3	81.2	113.6	93.4	73.5	79.9	76	113	105	72	74
4	80.1	114.3	96.5	72.8	79.3	76	114		70	73
1984 *1*	79.5	115.3	97.9	73.1	79.3	74	115		69	
	Percentage change, quarter on corresponding quarter of previous year.									
1982 *1*	*– 12.5*	*+ 4.6*	*– 10.3*	*– 8.5*	*– 3.9*	*– 17*	*+ 12*	*– 7*	*– 9*	*– 7*
2	*– 8.0*	*+ 1.9*	*– 8.8*	*– 2.5*	*+ 1.9*	*– 10*	*+ 10*	*– 5*	*– 3*	*– 2*
3	*+ 0.9*	*+ 1.9*	*– 9.7*	*– 7.8*	*+ 3.1*	*– 1*	*+ 8*	*– 4*	*– 6*	*+ 4*
4	*– 6.7*	*+ 1.4*	*– 12.7*	*– 12.1*	*– 6.7*	*– 7*	*+ 5*	*– 3*	*– 14*	*– 6*
1983 *1*	*– 12.7*	*+ 0.6*	*– 1.6*	*– 5.1*	*– 0.7*	*– 15*	*+ 3*	*+ 5*	*– 7*	*– 1*
2	*– 7.6*	*+ 0.9*	*+ 1.4*	*– 8.6*	*– 3.0*	*– 10*	*–*	*+ 6*	*– 10*	*– 4*
3	*– 7.8*	*+ 1.1*	*+ 4.7*	*– 4.8*	*– 5.0*	*– 11*	*– 3*	*+ 7*	*– 8*	*– 9*
4	*– 5.9*	*+ 1.6*	*+ 8.4*	*– 6.1*	*– 5.2*	*– 9*	*– 3*		*– 8*	*– 10*
1984 *1*	*– 0.8*	*+ 2.7*	*+ 1.2*	*– 9.9*	*– 8.5*	*– 3*	*– 3*		*– 14*	

[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980—see footnote [3].
[2] All the indices are in terms of US dollars.
[3] Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
[4] Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
[5] See footnote [4] to page 40.

Measures of UK trade competitiveness

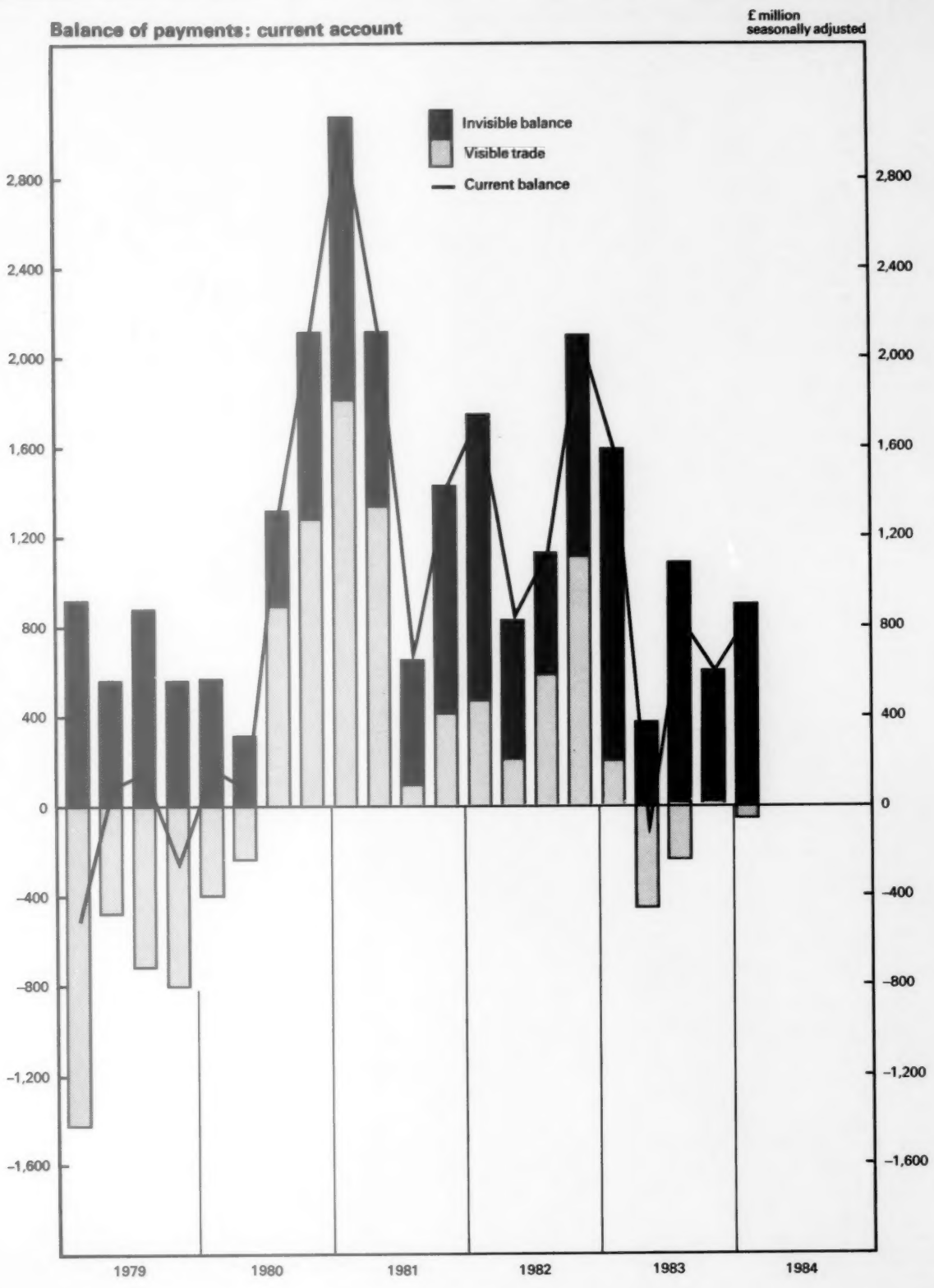


Balance of payments: current account

£ million, seasonally adjusted

	Visible trade			Invisibles						
						Balances				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1972	9 437	10 185	− 748	6 300	5 329	+ 971	+ 701	+ 538	− 268	+ 223
1973	11 937	14 523	−2 586	8 506	6 899	+1 607	+ 786	+1 257	− 436	− 979
1974	16 394	21 745	−5 351	10 503	8 430	+2 073	+1 075	+1 415	− 417	−3 278
1975	19 330	22 663	−3 333	11 457	9 637	+1 820	+1 515	+ 773	− 468	−1 513
1976	25 191	29 120	−3 929	15 039	11 946	+3 093	+2 503	+1 365	− 775	− 836
1977	31 728	34 012	−2 284	16 847	14 509	+2 338	+3 338	+ 116	−1 116	+ 54
1978	35 063	36 605	−1 542	19 130	16 430	+2 700	+3 816	+ 661	−1 777	+1 158
1979	40 687	44 136	−3 449	23 832	20 936	+2 896	+4 071	+1 090	−2 265	− 553
1980	47 422	45 909	+1 513	25 947	23 825	+2 122	+4 267	− 66	−2 079	+3 635
1981	50 977	47 325	+3 652	29 709	26 110	+3 599	+4 249	+1 317	−1 967	+7 251
1982	55 565	53 181	+2 384	31 824	28 434	+3 390	+3 874	+1 625	−2 109	+5 774
1983	60 658	61 158	− 500	34 216	30 792	+3 424	+4 328	+1 363	−2 267	+2 924
1978 *2*	8 790	8 949	− 159	4 669	3 975	+ 694	+ 845	+ 237	− 388	+ 535
3	8 854	9 411	− 557	4 947	4 197	+ 750	+1 027	+ 185	− 462	+ 193
4	9 137	9 401	− 264	5 051	4 250	+ 801	+1 030	+ 167	− 396	+ 537
1979 *1*	8 313	9 746	−1 433	5 546	4 628	+ 918	+1 013	+ 411	− 506	− 515
2	10 759	11 238	− 479	5 674	5 123	+ 551	+ 954	+ 100	− 503	+ 72
3	10 497	11 220	− 723	6 252	5 381	+ 871	+1 056	+ 425	− 610	+ 148
4	11 118	11 932	− 814	6 360	5 804	+ 556	+1 048	+ 154	− 646	− 258
1980 *1*	11 998	12 402	− 404	6 573	6 012	+ 561	+1 101	− 54	− 486	+ 157
2	11 916	12 163	− 247	6 553	6 238	+ 315	+1 067	− 134	− 618	+ 68
3	11 694	10 805	+ 889	6 194	5 778	+ 416	+1 015	+ 5	− 604	+1 305
4	11 814	10 539	+1 275	6 627	5 797	+ 830	+1 084	+ 117	− 371	+2 105
1981 *1*	11 868	10 054	+1 814	7 321	6 056	+1 265	+1 129	+ 266	− 130	+3 079
2	12 289	10 956	+1 333	6 903	6 129	+ 774	+1 080	+ 394	− 700	+2 107
3	13 157	13 067	+ 90	7 386	6 833	+ 533	+1 014	+ 322	− 783	+ 643
4	13 663	13 248	+ 415	8 099	7 092	+1 007	+1 026	+ 335	− 354	+1 422
1982 *1*	13 519	13 048	+ 471	8 177	6 908	+1 269	+1 096	+ 103	70	+1 740
2	13 878	13 667	+ 211	7 718	7 110	+ 608	+1 052	+ 423	− 867	+ 819
3	13 688	13 100	+ 588	7 676	7 146	+ 530	+ 807	+ 462	− 739	+1 118
4	14 480	13 366	+1 114	8 253	7 270	+ 983	+ 919	+ 637	− 573	+2 097
1983 *1*	14 819	14 616	+ 203	8 698	7 312	+1 386	+1 106	+ 424	− 144	+1 589
2	14 752	15 212	− 460	8 196	7 825	+ 371	+1 276	− 21	− 884	− 89
3	14 862	15 110	− 248	8 596	7 520	+1 076	+1 029	+ 585	− 538	+ 828
4	16 225	16 220	+ 5	8 726	8 135	+ 591	+ 917	+ 375	− 701	+ 596
1984 *1*	16 853	16 912	− 59	9 001	8 104	897	1 068	269	− 440	838
1982 *J*	4 545	4 493	+ 52	..	..	+ 200[1]	..	..	..	+ 252
J	4 551	4 341	+ 210	..	..	+ 153[1]	..	..	..	+ 363
A	4 433	4 296	+ 137	..	..	+ 224[1]	..	..	..	+ 361
S	4 703	4 463	+ 241	..	..	+ 153[1]	..	..	..	+ 394
O	4 683	4 449	+ 234	..	..	+ 286[1]	..	..	..	+ 520
N	4 863	4 389	+ 474	..	..	+ 290[1]	..	..	..	+ 764
D	4 934	4 528	+ 406	..	..	+ 407[1]	..	..	..	+ 813
1983 *J*	4 731	4 897	− 166	..	..	+ 273[1]	..	..	..	+ 107
F	4 934	4 849	+ 85	..	..	+ 273[1]	..	..	..	+ 358
M	5 154	4 870	+ 284	..	..	+ 840[1]	..	..	..	+1 124
A	4 866	5 048	− 182	..	..	+ 124[1]	..	..	..	− 58
M	4 811	5 248	− 437	..	..	+ 123[1]	..	..	..	− 314
J	5 075	4 916	+ 159	..	..	+ 124[1]	..	..	..	+ 283
J	4 786	5 007	− 222	..	..	+ 372[1]	..	..	..	+ 150
A	4 934	5 012	− 78	..	..	+ 352[1]	..	..	..	+ 274
S	5 142	5 091	+ 52	..	..	+ 352[1]	..	..	..	+ 404
O	5 164	5 586	− 423	..	..	+ 124[1]	..	..	..	− 299
N	5 266	5 196	+ 71	..	..	+ 124[1]	..	..	..	+ 195
D	5 795	5 438	+ 358	..	..	+ 343[1]	..	..	..	+ 701
1984 *J*	5 214	5 538	− 324	..	..	+ 299[1]	..	..	..	− 25
F	5 948	5 456	+ 492	..	..	+ 299[1]	..	..	..	+ 791
M	5 691	5 918	− 227	..	..	+ 299[1]	..	..	..	+ 72
A	5 370	6 207	− 838	..	..	+ 250[2]	..	..	..	− 588
M	5 635	5 953	− 319	..	..	+ 250[2]	..	..	..	− 69
J	5 881	6 029	− 148	..	..	+ 250[2]	..	..	..	+ 103

[1] One third of the appropriate calendar quarter's estimate except for European Community budget refunds which are allocated to the month in which they are received.
[2] One third of a quarterly projection plus any European Community budget refund received in the month.

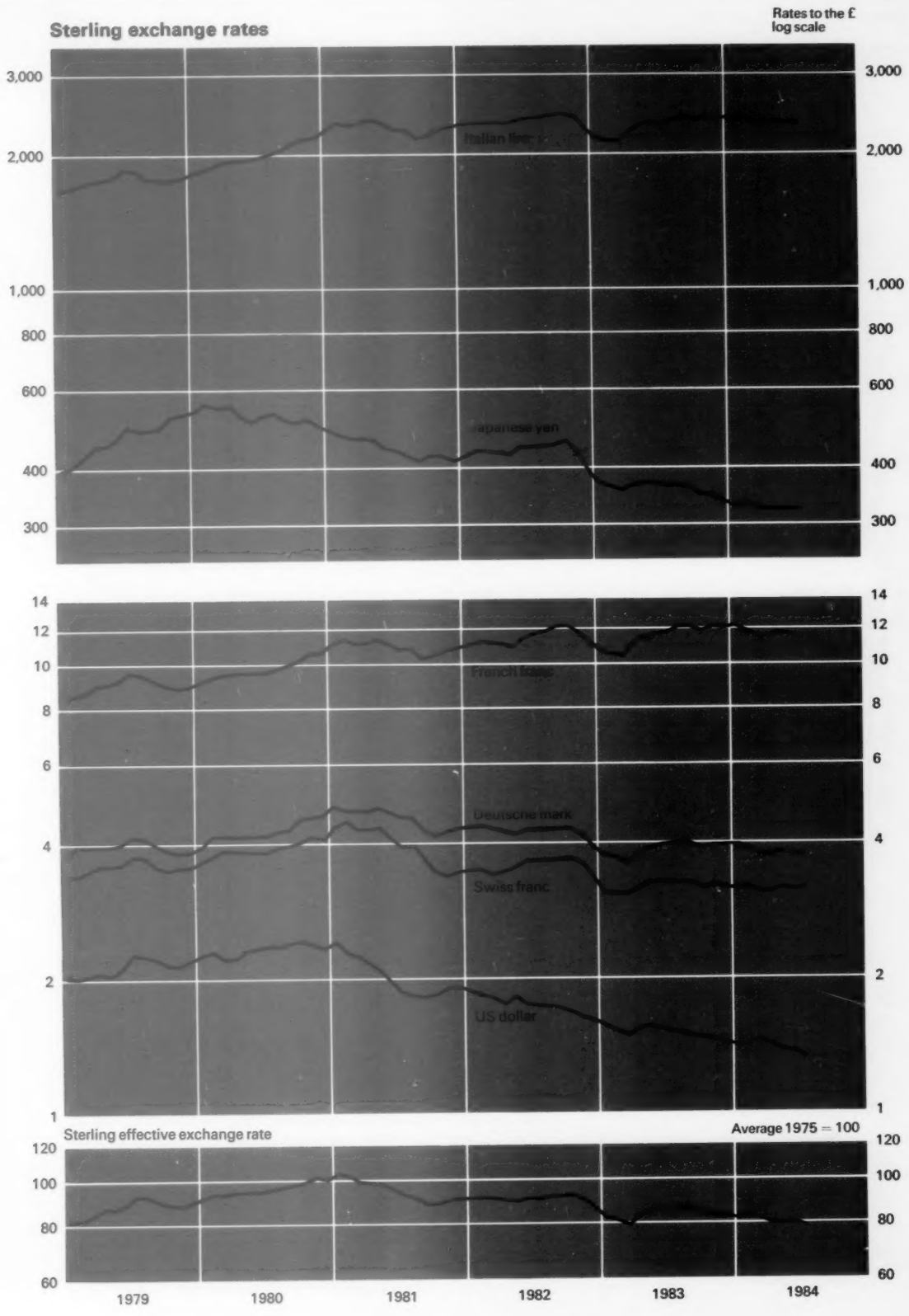

Balance of payments: current account
£ million
seasonally adjusted
Invisible balance
Visible trade
Current balance
2,800
2,400
2,000
1,600
1,200
800
400
0
-400
-800
-1,200
-1,600
1979
1980
1981
1982
1983
1984

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies[1]						$ million	Average 1975 = 100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1974		682.7	2.340	6.965	11.25	1 522	6.049	6 789	108.3
1975		658.1	2.220	5.723	9.50	1 447	5.447	5 429	100.0
1976		535.4	1.805	4.521	8.61	1 497	4.552	4 129	85.7
1977		467.7	1.746	4.189	8.57	1 540	4.050	20 557	81.2
1978		402.7	1.920	3.423	8.64	1 628	3.850	15 694	81.5
1979		465.6	2.122	3.525	9.03	1 762	3.887	22 538	87.3
1980		525.6	2.328	3.894	9.82	1 992	4.227	27 476	96.1
1981		444.6	2.025	3.969	10.94	2 287	4.556	23 347	95.3
1982		435.2	1.749	3.547	11.48	2 364	4.243	16 997	90.7
1983		359.9	1.516	3.182	11.55	2 302	3.870	17 817	83.3
1981	*2*	456.5	2.077	4.024	11.25	2 354	4.728	25 631	97.8
	3	425.7	1.839	3.852	10.66	2 234	4.469	23 696	90.6
	4	422.6	1.883	3.441	10.64	2 253	4.226	23 347	89.7
1982	*1*	431.7	1.845	3.459	11.07	2 331	4.331	18 969	91.2
	2	434.3	1.779	3.548	11.18	2 350	4.232	17 703	90.3
	3	446.4	1.725	3.644	11.98	2 404	4.280	18 299	91.5
	4	428.2	1.650	3.532	11.68	2 369	4.129	16 997	89.1
1983	*1*	360.5	1.530	3.085	10.54	2 143	3.684	17 337	80.5
	2	369.2	1.555	3.227	11.62	2 298	3.867	17 714	84.3
	3	363.8	1.509	3.242	12.02	2 376	3.990	17 902	84.9
	4	344.3	1.471	3.174	12.00	2 387	3.936	17 817	83.2
1984	*1*	331.1	1.435	3.156	11.90	2 384	3.874	16 749	81.7
	2	320.7	1.396	3.136	11.62	2 339	3.784	15 505	79.8
1981	*J*	435.2	1.876	3.932	10.87	2 278	4.577	24 568	92.5
	A	425.2	1.821	3.953	10.89	2 267	4.558	24 511	91.2
	S	416.8	1.817	3.680	10.25	2 159	4.279	23 696	88.1
	O	426.4	1.843	3.467	10.36	2 196	4.145	23 316	88.2
	N	424.8	1.904	3.398	10.69	2 267	4.237	23 463	90.1
	D	416.5	1.905	3.458	10.89	2 300	4.301	23 347	90.7
1982	*J*	423.8	1.887	3.477	10.99	2 317	4.326	23 225	91.2
	F	435.1	1.847	3.497	11.12	2 338	4.372	23 373	91.5
	M	435.6	1.807	3.411	11.10	2 337	4.299	18 969	90.8
	A	431.9	1.772	3.472	11.05	2 339	4.242	18 159	90.0
	M	428.8	1.812	3.528	10.89	2 321	4.183	17 820	89.9
	J	441.2	1.758	3.635	11.54	2 385	4.265	17 703	90.9
	J	442.1	1.735	3.635	11.89	2 397	4.277	17 943	91.2
	A	446.6	1.727	3.635	11.94	2 400	4.276	18 113	91.5
	S	450.4	1.714	3.662	12.11	2 415	4.288	18 299	91.7
	O	460.1	1.698	3.683	12.13	2 442	4.293	18 493	92.5
	N	432.0	1.633	3.586	11.79	2 400	4.173	18 006	89.5
	D	392.4	1.619	3.324	11.11	2 265	3.919	16 997	85.4
1983	*J*	366.0	1.573	3.093	10.68	2 162	3.759	16 854	81.9
	F	361.5	1.533	3.089	10.54	2 142	3.717	16 578	80.7
	M	354.9	1.491	3.075	10.44	2 128	3.589	17 337	79.1
	A	366.2	1.541	3.168	11.28	2 238	3.761	17 656	82.8
	M	369.2	1.573	3.236	11.67	2 308	3.879	17 924	84.9
	J	371.8	1.549	3.271	11.87	2 340	3.948	17 714	85.2
	J	367.3	1.528	3.235	11.89	2 340	3.954	17 940	84.8
	A	367.0	1.502	3.250	12.08	2 386	4.015	18 009	85.1
	S	363.3	1.498	3.242	12.08	2 400	3.998	17 902	84.8
	O	348.6	1.497	3.160	11.90	2 368	3.896	18 102	83.4
	N	347.2	1.478	3.205	12.06	2 401	3.965	18 099	83.7
	D	336.4	1.435	3.153	12.02	2 391	3.944	17 817	82.5
1984	*J*	329.2	1.408	3.167	12.10	2 401	3.957	17 773	81.9
	F	336.4	1.440	3.177	11.97	2 402	3.889	17 983	82.2
	M	327.8	1.457	3.127	11.65	2 350	3.781	16 749	81.0
	A	320.3	1.424	3.114	11.56	2 326	3.760	15 941	79.9
	M	320.3	1.389	3.149	11.71	2 357	3.819	15 835	80.0
	J	321.4	1.377	3.142	11.59	2 333	3.772	15 505	79.4
	J	320.8	1.321	3.181	11.54	2 311	3.761	15 374	78.4

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 19 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*. At end-March 1984 the valuation change reduced the level of reserves by $979 million. The effect of changes in earlier years are given in earlier editions of this table.


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
Italian lire
Japanese yen
14
12
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling effective exchange rate
Average 1975 = 100
120
100
80
60
1979
1980
1981
1982
1983
1984

Monetary aggregates[1]

£ million

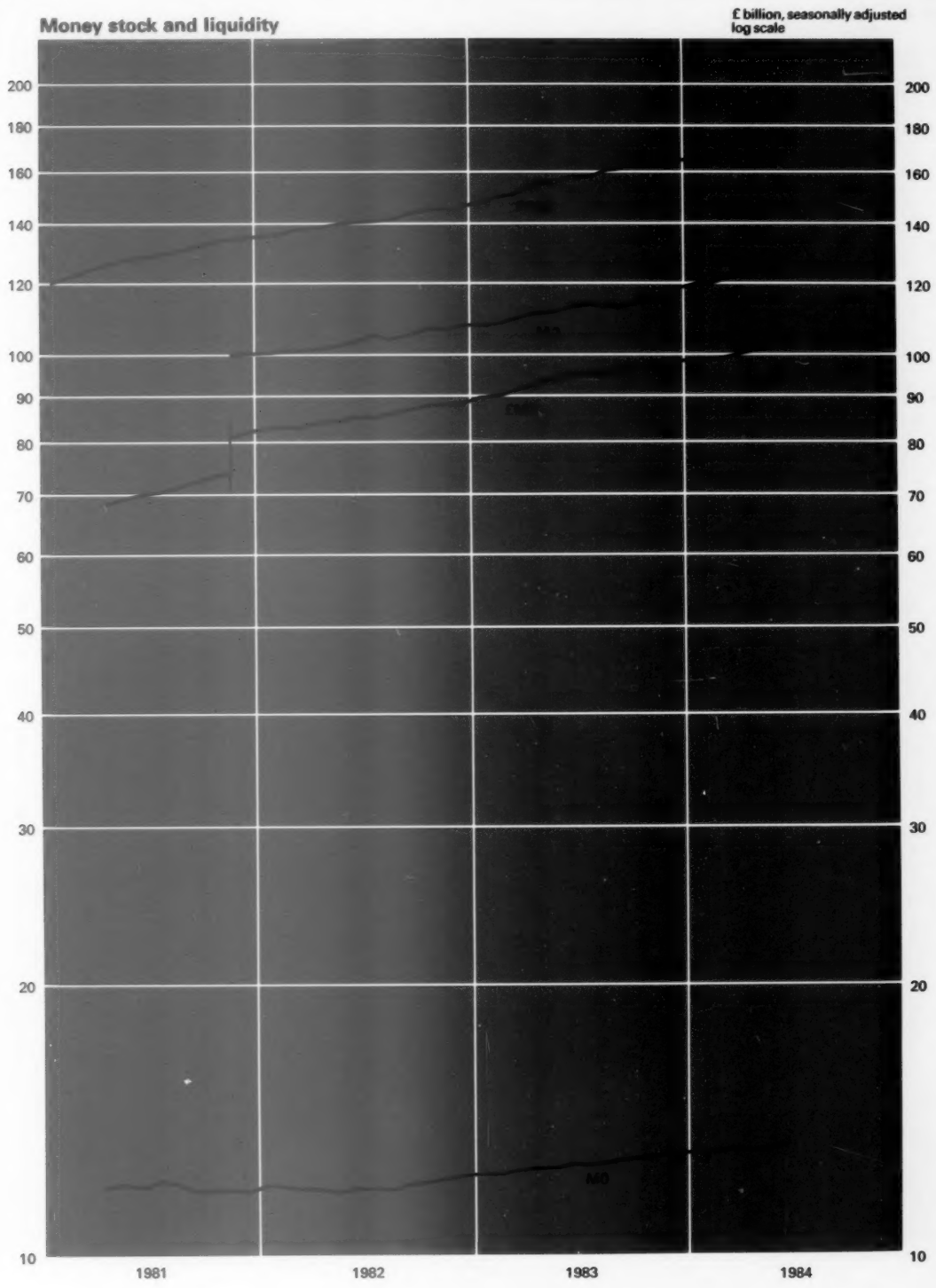
	Seasonally adjusted			Not seasonally adjusted			Seasonally adjusted					
	'Narrow' money						'Broad' money					
	M0—the wide monetary base			M2—transactions balances			£M3[2]			PSL 2		
	Amount outstanding[3]	Change[3]	*Percentage change*	Amount outstanding	Change	*Percentage change*	Amount outstanding	Change	*Percentage change*	Amount outstanding	Change	*Percentage change*
At end period												
1979 *1*	..	..	..	..	..	..	50 940	1 091	*+2.2*	97 642	3 207	*+3.4*
2	..	..	..	..	..	..	53 170	2 227	*+4.4*	101 369	3 734	*+3.8*
3	..	..	..	..	..	..	54 660	1 517	*+2.9*	104 355	3 011	*+3.0*
4	..	..	..	..	..	..	56 490	1 843	*+3.4*	107 356	3 023	*+2.9*
1980 *1*	..	..	..	..	..	..	58 200	1 720	*+3.0*	109 555	2 357	*+2.2*
2	..	..	..	..	..	..	61 520	3 328	*+5.7*	113 975	4 417	*+4.0*
3	..	..	..	..	..	..	64 350	2 833	*+4.6*	117 685	3 712	*+3.3*
4	..	..	..	..	..	..	67 070	2 729	*+4.2*	121 856	4 189	*+3.6*
1981 *1*	..	..	..	..	..	..	68 510	1 400	*+2.1*	124 676	2 713	*+2.2*
2	..	..	..	..	..	..	71 570	3 045	*+4.4*	129 563	4 884	*+3.9*
3	..	..	..	..	..	..	74 940	3 372	*+4.7*	134 178	4 613	*+3.6*
4[4]	..	..	..	..	..	..	76 210	1 267	*+1.7*	135 902	1 718	*+1.3*
							83 650			136 394		
1982 *1*	..	..	..	..	..	..	85 810	2 148	*+2.6*	140 234	3 917	*+2.9*
2	..	..	..	..	..	..	87 880	2 054	*+2.4*	142 762	2 511	*+1.8*
3	..	..	..	..	..	..	89 490	1 595	*+1.8*	145 516	2 757	*+1.9*
4	..	..	..	..	..	..	91 470	1 966	*+2.2*	148 409	2 839	*+2.0*
1983 *1*	..	..	..	..	..	..	95 230	3 759	*+4.1*	156 127	7 599	*+5.1*
							95 340					
2	..	..	..	..	..	..	97 790	2 480	*+2.6*	160 453	4 346	*+2.8*
3	..	..	..	..	..	..	98 510	716	*+0.7*	163 434	2 743	*+1.7*
4	..	..	..	..	..	..	101 210	2 539	*+2.6*	168 296	4 066	*+2.5*
1984 *1*	..	..	..	..	..	..	103 620	2 421	*+2.4*	175 747	6 228	*+3.7*
At mid-month												
1981 *A*	12 094	−74	*−0.6*	..	..	..	71 370	722	*+1.0*	130 877	1 192	*+0.9*
S	11 870	99	*+0.8*	..	..	..	72 830	1 460	*+2.0*	132 613	1 748	*+1.3*
O	11 876	6	*+0.1*	..	..	..	73 660	830	*+1.1*	133 618	1 000	*+0.8*
N[4]	11 868	−8	*−0.1*	100 601	..	..	81 170	487	*+0.7*	134 375	710	*+0.5*
	11 868	−8	*−0.1*	100 601			81 170	487	*+0.7*	134 798	710	+0.5
D	11 842	−27	*−0.2*	100 901	299	*+0.3*	81 350	178	*+0.2*	135 010	481	*+0.4*
1982 *J*	12 060	223	*+1.9*	100 996	100	*+0.1*	82 510	1 174	*+1.4*	136 404	1 437	*+1.1*
F	11 996	−64	*−0.5*	100 410	−586	*−0.6*	83 070	573	*+0.7*	137 492	1 143	*+0.8*
M	11 902	−94	*−0.8*	101 590	1 030	*+1.0*	83 460	386	*+0.5*	138 265	799	*+0.6*
A	11 910	8	*+0.1*	102 388	798	*+0.8*	84 460	969	*+1.2*	139 406	1 124	*+0.8*
M	11 861	−49	*−0.4*	102 579	191	*+0.2*	84 910	439	*+0.5*	140 236	809	*+0.6*
J	11 986	125	*+1.1*	103 786	1 207	*+1.2*	85 730	796	*+0.9*	141 184	940	*+0.7*
J	11 988	2	—	105 137	1 351	*+1.3*	85 820	82	*+0.1*	141 247	59	—
A	11 991	3	—	104 968	−169	*−0.2*	86 670	856	*+1.0*	142 509	1 265	*+0.9*
S	12 138	147	*+1.2*	105 511	543	*+0.5*	87 460	792	*+0.9*	143 862	1 358	*+1.0*
O	12 177	39	*+0.3*	107 464	1 953	*+1.9*	88 710	1 249	*+1.4*	145 409	1 544	*+1.1*
N	12 269	92	*+0.8*	107 203	−261	*−0.2*	88 860	144	*+0.2*	145 901	482	*+0.3*
D	12 304	35	*+0.3*	108 533	1 330	*+1.2*	88 980	110	*+0.1*	146 469	554	*+0.4*
1983 *J*	12 410	106	*+0.9*	108 439	−74	*−0.1*	90 130	1 194	*+1.3*	148 564	2 150	*+1.5*
F	12 400	−10	*−0.1*	108 878	439	*+0.4*	90 770	615	*+0.7*	150 368	1 778	*+1.2*
M	12 535	135	*+1.1*	110 521	1 643	*+1.5*	91 790	956	*+1.1*	152 411	1 972	*+1.3*
A	12 641	106	*+0.8*	112 076	1 555	*+1.4*	93 810	1 965	*+2.1*	155 427	2 954	*+1.9*
M	12 641	20	*+0.2*	112 593	537	*+0.5*	94 450	622	*+0.7*	156 613	1 162	*+0.7*
J	12 738	97	*+0.8*	113 724	1 131	*+1.0*	95 420	944	*+1.0*	158 137	1 493	*+1.0*
J	12 724	−14	*−0.1*	114 858	1 134	*+1.0*	95 920	491	*+0.5*	159 668	1 518	*+1.0*
A	12 761	37	*+0.3*	114 333	−525	*−0.5*	96 370	458	*+0.5*	161 060	1 392	*+0.9*
S	12 903	142	*+1.1*	114 464	111	*+0.1*	96 730	296	*+0.3*	161 901	763	*+0.5*
O	12 976	73	*+0.6*	115 232	768	*+0.7*	97 740	999	*+1.0*	163 177	1 275	*+0.8*
N	13 038	62	*+0.5*	115 440	208	*+0.2*	97 830	96	*+0.1*	163 857	686	*+0.4*
	13 038	62	*+0.5*	116 198	208	*+0.2*	97 830	96	*+0.1*	163 857	686	*+0.4*
D	13 114	76	*+0.6*	119 750	3 266	*+2.8*	99 090	1 067	*+1.1*	165 583	1 536	*+0.9*
1984 *J*	13 137	23	*+0.2*	121 172	1 220	*+1.0*	99 730	655	*+0.7*	167 481	1 923	*+1.2*
F	13 157	20	*+0.2*	121 352	11	—	99 780	84	*+0.1*	168 514	1 067	*+0.6*
M	13 231	74	*+0.6*	122 960	1 555	*+1.3*	101 200	1 401	*+1.4*	171 421	2 908	*+1.7*
A	13 242	11	*+0.1*	125 244	2 284	*+1.9*	101 540	374	*+0.4*	172 988	1 622	*+0.9*
M	13 295	53	*+0.4*	125 859	574	*+0.5*	102 540	868	*+0.9*	175 303	2 184	*+1.3*
J	13 432	137	*+1.0*	127 539	1 680	*+1.3*	104 640	2 067	*+2.0*	179 251	3 931	*+2.2*
J	13 462	30	*+0.2*	128 582	1 043	*+0.8*	103 620	−1 039	*−1.0*	179 133	126	*−0.1*

[1] Data for M0, £M3 and PSL2 are seasonally adjusted; there are at present no seasonal adjustments for M2.

[2] Excluding public sector deposits (see article in *Economic Trends* No. 364, February 1984).

[3] The monthly figures for M0 give, in respect of the amounts outstanding, the average of the amounts outstanding on each Wednesday during the banking month and, in respect of the change, the changes between the average amounts outstanding.

[4] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.


Money stock and liquidity
£ billion, seasonally adjusted
log scale
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
1981
1982
1983
1984

Counterparts to changes in money stock[1]

£ million, seasonally adjusted[2]

	Domestic counterparts								
	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector						
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt	Sterling lending to UK private sector[3]	Sub-total of domestic counterparts	External and foreign currency counterparts	Non-deposit liabilities (net)	Money stock £M3
	1	2	3	4	5	6	7	8	9
1979	10 364	2 305	1 019	9 895	8 585	10 340	−3 116	− 573	6 651
1980	10 806	1 013	241	9 185	10 025	12 418	− 432	−1 391	10 595
1981	10 398	182	−803	12 058	11 405	10 730	309	−1 743	9 296
1982	7 855	−2 908	−396	10 925	17 557	11 975	−2 294	−2 157	7 524
1983	14 435	−2 864	−534	11 309	12 806	13 602	− 495	−3 601	9 506
1980 *1*	481	550	351	1 586	3 122	2 216	104	− 600	1 720
2	3 390	370	326	1 749	2 424	4 109	− 440	− 341	3 328
3	3 538	417	−105	3 156	2 558	3 462	− 337	− 292	2 833
4	3 397	− 324	−331	2 694	1 921	2 631	241	− 143	2 729
1981 *1*	2 661	− 526	−515	3 939	1 922	633	1 143	− 376	1 400
2	5 654	468	− 99	3 253	909	3 877	− 269	− 563	3 045
3	2 825	185	− 61	1 690	2 824	4 205	− 298	− 535	3 372
4	−742	55	−128	3 176	5 483	1 748	− 267	− 214	1 267
1982 *1*	− 42	316	− 72	3 533	5 701	2 514	− 173	− 193	2 148
2	1 778	− 138	− 41	1 135	3 558	4 104	−1 604	− 446	2 054
3	2 687	− 949	39	4 008	5 050	2 741	− 329	− 817	1 595
4	3 432	−2 137	−322	2 249	3 515	2 883	− 188	− 729	1 966
1983 *1*	5 153	− 654	72	1 162	1 981	5 246	− 991	− 496	3 759
2	3 660	−1 996	−320	2 212	3 258	3 030	573	−1 123	2 480
3	2 735	129	−112	4 668	3 731	2 039	− 260	−1 063	716
4	2 887	− 343	−174	3 267	3 836	3 287	183	− 931	2 539
1984 *1*	2 790	− 579	74	2 583	4 597	4 151	32	−1 762	2 421
Month ended									
1982 Oct. 20	702	−249		− 891	1 888	1 450	− 44	− 157	1 249
Nov. 17	1 247	−736		− 976	982	517	135	− 508	144
Dec. 8	363	−340		− 251	544	316	− 23	− 183	110
1983 Jan. 19	1 116	−316		− 731	1 006	1 075	218	− 99	1 194
Feb. 16	903	35		− 726	1 356	1 568	− 668	− 285	615
Mar. 16	2 093	−694		− 245	534	1 788	84	− 916	956
April 20	2 007	− 93		− 287	135	1 762	107	96	1 965
May 18	1 301	−622		− 943	1 386	1 122	− 33	− 467	622
June 15	1 710	−807		− 920	1 147	1 130	− 108	− 78	944
July 20	1 244	−388		−1 200	783	439	− 73	125	491
Aug. 17	851	191		−1 186	1 220	1 076	− 319	− 299	458
Sept. 21	1 249	585		−2 261	1 221	794	150	− 648	296
Oct. 19	789	−393		− 809	1 601	1 188	− 428	239	999
Nov. 16	1 260	28		−1 510	1 027	805	− 247	− 462	96
Dec. 14	284	162		− 690	1 657	1 413	159	− 505	1 067
1984 Jan. 18	867	−804		− 991	957	29	1 213	− 587	655
Feb. 15	1 276	20		−1 102	1 256	1 450	− 485	− 881	84
Mar. 21	666	−118		− 603	1 651	1 596	180	− 375	1 401
April 18	1 510	188		−1 281	1 439	1 856	− 990	− 492	374
May 16	786	−339		− 386	896	957	10	− 99	868
June 20	1 251	112		− 970	1 531	1 924	159	− 16	2 067
July 18	195	−183		− 846	342	−492	− 455	− 92	−1 039

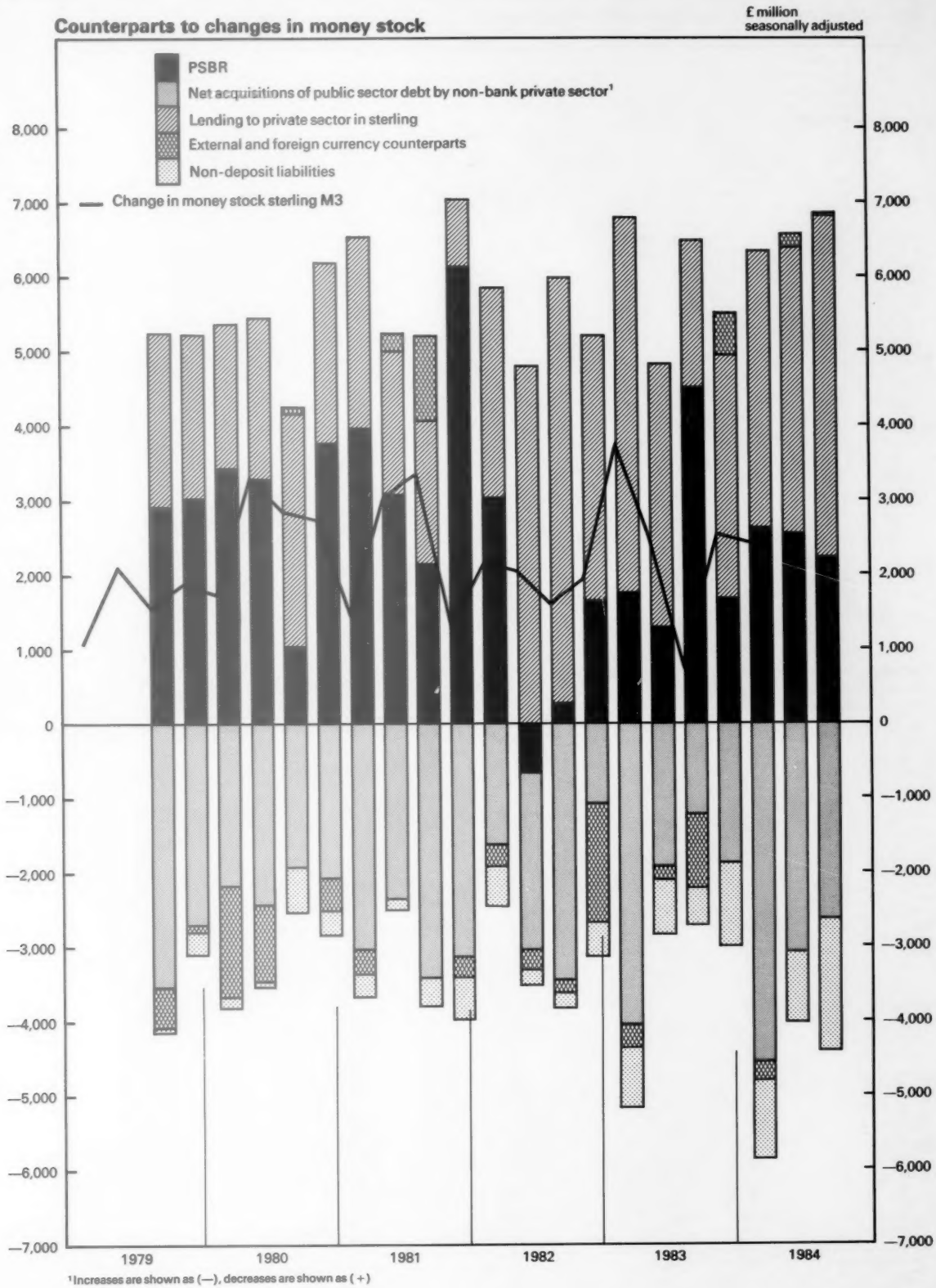
Relationship between columns: 6 = 1 + 2 − 3 − 4 + 5; 9 = 6 + 7 + 8 (The figures combined in the bracket are column 2 *less* column 3.)

[1] Changes up to and including the 4th quarter of 1981 in the quarterly series, and 18 November 1981 in the monthly series, have been calculated on the basis of the old banking sector; after those dates, changes in each series have been calculated on the basis of the new monetary sector. Figures for the 4th quarter of 1981 are partly estimated.

[2] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

Counterparts to changes in money stock



[1] Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government								
	Receipts[2]		Expenditure						
			Goods and services		Current and capital transfers				
	Taxes, national insurance, etc. contributions	Trading income rent, royalties interest, etc.	Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending etc.[3]	Total
1980	82 144	10 121	48 387	5 742	32 584	2 254	11 363	3 464	103 794
1981	95 363	11 255	54 677	4 612	38 642	2 471	13 294	2 623	116 319
1982	107 236	12 676	59 871	4 713	43 503	2 827	14 475	2 618	128 007
1983	115 371	12 638	65 635	5 816	47 943	3 560	14 691	913	138 558
1980 *2*	18 501	2 420	11 623	1 128	8 136	522	2 344	1 434	25 187
3	21 322	2 482	12 512	1 393	8 116	620	3 318	1 156	27 115
4	21 620	2 774	13 086	1 481	8 509	526	2 546	724	26 872
1981 *1*	23 401	2 801	13 223	1 709	9 171	670	3 665	345	28 783
2	21 039	2 693	13 478	906	9 796	519	2 688	922	28 309
3	25 326	2 889	13 863	980	9 830	615	3 980	889	30 157
4	25 597	2 872	14 113	1 017	9 845	667	2 961	467	29 070
1982 *1*	28 290	3 132	14 604	1 485	10 286	803	4 280	597	32 005
2	24 638	3 121	14 863	763	10 894	527	3 093	183	30 323
3	27 341	3 128	14 967	1 187	10 828	615	4 127	1 037	32 761
4	26 967	3 295	15 437	1 278	11 495	882	2 975	801	32 868
1983 *1*	30 551	3 309	16 510	2 064	11 622	1 020	4 291	1 006	36 513
2	26 228	3 067	16 264	892	11 993	703	3 005	88	32 945
3	28 318	3 091	16 214	1 451	11 932	820	3 997	−41	34 373
4	30 274	3 171	16 647	1 409	12 396	1 017	3 398	−140	34 727
1984 *1*	32 084	3 306	16 910	2 105	13 125	1 204	4 443	−310	37 477

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

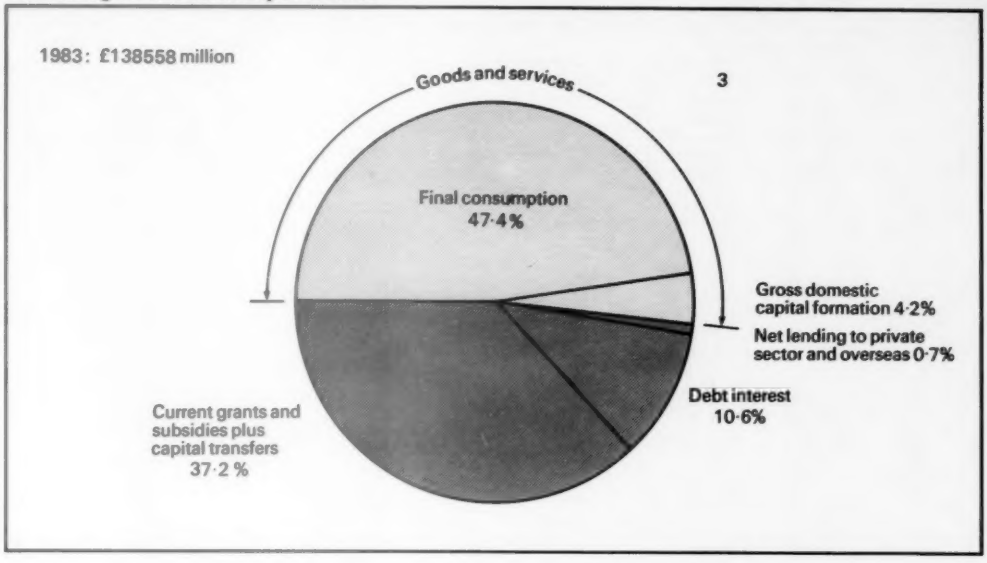
Financial transactions of the public sector

£ million

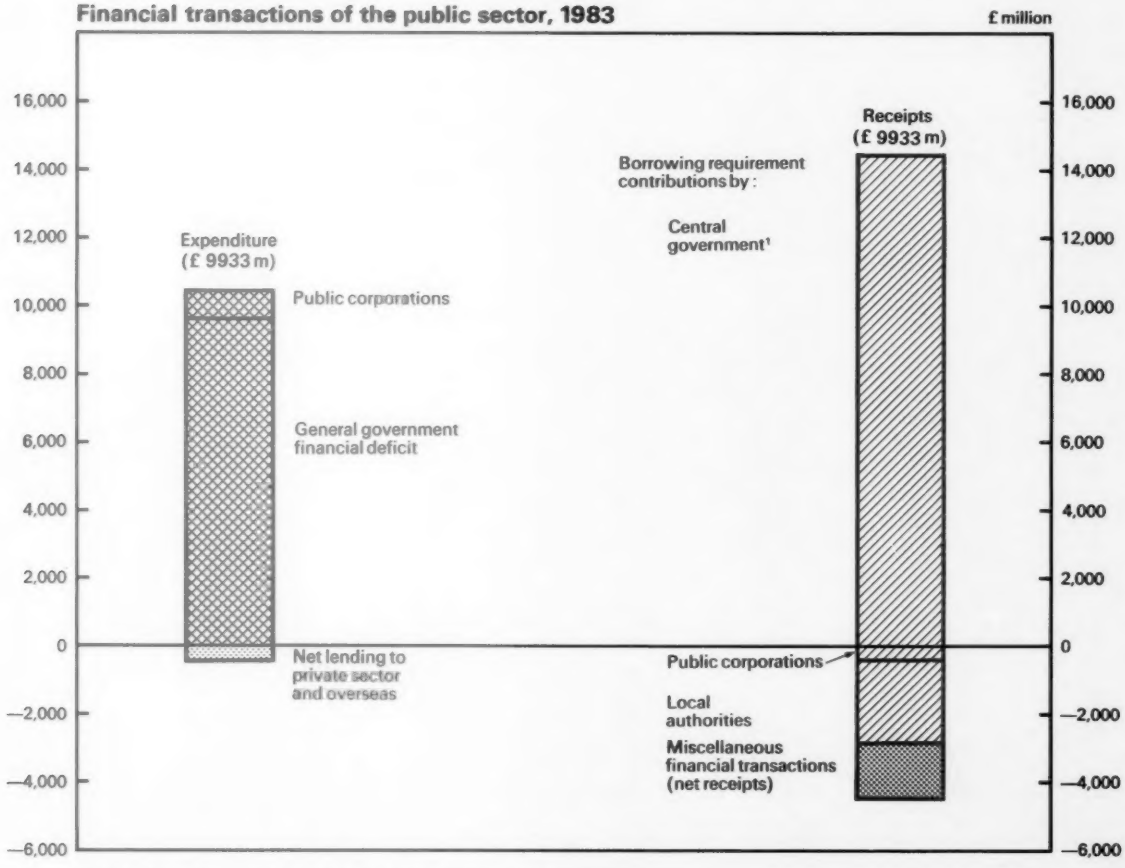
	Financial deficit[1]				Receipts				
							Borrowing requirement[4]		
								Contributions by:	
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[5]	Local authorities	Public corporations	Seasonally adjusted Total[6]
1980	10 630	8 061	2 569	526	11 156	− 661	11 817	10 806	1 738	−727	12 511
1981	8 555	7 078	1 477	883	9 438	−1 149	10 587	10 398	993	−804	10 802
1982	7 177	5 477	1 700	733	7 910	2 957	4 953	7 855	−2 108	−794	5 294
1983	10 428	9 636	792	−570	9 858	−1 678	11 536	14 462	−2 422	−504	11 632
1980 *2*	3 485	2 832	653	456	3 941	− 636	4 577	4 524	406	−353	3 835
3	3 419	2 151	1 268	202	3 621	− 212	3 833	3 310	376	147	3 938
4	1 941	1 754	187	− 41	1 900	−2 524	4 424	4 735	− 470	159	3 647
1981 *1*	2 682	2 236	446	−141	2 541	2 693	− 152	175	530	−857	1 964
2	4 023	3 655	368	585	4 608	−2 997	7 605	7 454	220	− 69	6 088
3	1 929	1 053	876	282	2 211	− 334	2 545	2 265	356	− 76	3 237
4	−79	134	−213	157	78	− 511	589	504	− 113	198	−487
1982 *1*	331	36	295	14	345	2 455	−2 110	−2 609	508	− 9	−460
2	2 838	2 381	457	287	3 125	377	2 748	3 199	− 151	−300	1 726
3	2 271	1 255	1 016	237	2 508	800	1 708	2 551	− 745	− 98	1 949
4	1 737	1 805	− 68	195	1 932	− 675	2 607	4 714	−1 720	−387	2 079
1983 *1*	1 762	1 647	115	75	1 837	37	1 800	2 269	− 13	−456	4 330
2	3 766	3 562	204	−382	3 384	224	3 160	5 460	−1 468	−832	2 067
3	3 923	3 005	918	−238	3 685	2	3 683	3 519	88	76	2 630
4	977	1 422	−445	− 25	952	−1 941	2 893	3 214	−1 029	708	2 605
1984 *1*	2 115	2 397	−282	−343	1 772	1 867	− 95	91	212	−398	1 931
2							4 658	4 948	48	−338	3 327

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net).
[4] Redefined: see article in *Economic Trends* No. 364, February 1984.
[5] Including borrowing matched by on-lending to local authorities and public corporations.
[6] Calendar year constrained.

General government expenditure


1983: £138558 million
Goods and services 3
Final consumption 47·4%
Gross domestic capital formation 4·2%
Net lending to private sector and overseas 0·7%
Debt interest 10·6%
Current grants and subsidies plus capital transfers 37·2%

Financial transactions of the public sector, 1983



[1] Including borrowing matched by on-lending to local authorities and public corporations

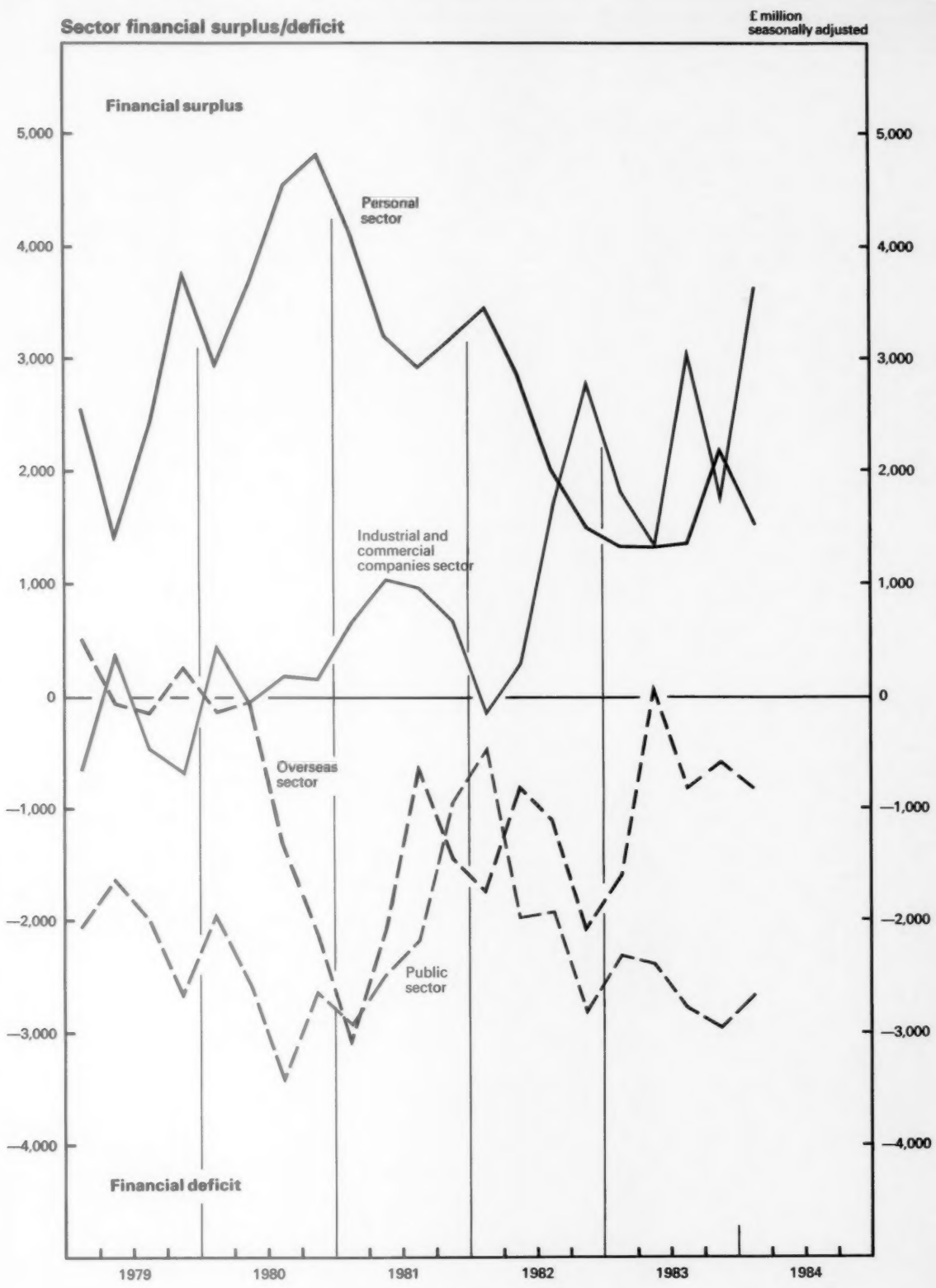
Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1979	3 338	– 264	11 448	4 391	–237	3 924	21 007	324	22 809
1980	2 704	– 360	12 974	4 808	–302	5 087	17 247	387	16 916
1981	3 739	– 226	12 068	5 227	–567	5 359	19 121	591	16 395
1982	6 270	– 642	12 805	6 274	–439	5 769	20 183	584	16 131
1983	5 153	–1 254	14 327	6 636	–335	5 798	26 236	479	18 729
1979 *3*	1 140	– 57	3 080	1 238	– 60	956	5 711	85	6 273
4	365	– 52	2 981	1 075	– 60	1 018	5 153	54	5 890
1980 *1*	1 317	– 68	3 251	1 192	– 65	1 204	5 680	62	5 275
2	508	– 82	3 019	1 413	– 83	1 218	4 835	80	4 982
3	92	– 149	3 358	1 252	– 81	1 305	3 498	115	3 437
4	787	– 61	3 346	951	– 73	1 360	3 234	130	3 222
1981 *1*	397	– 107	3 201	1 195	– 70	1 189	4 006	139	3 510
2	713	– 115	3 079	1 171	– 85	1 321	4 584	155	3 715
3	803	– 159	2 842	1 230	– 80	1 431	5 371	166	4 555
4	1 826	155	2 946	1 631	–332	1 418	5 160	131	4 615
1982 *1*	2 872	– 163	3 174	1 157	–136	1 473	3 749	196	4 099
2	1 093	– 33	3 042	1 596	–115	1 467	4 561	78	4 351
3	1 468	– 143	3 252	1 766	–101	1 542	5 381	77	3 746
4	837	– 303	3 337	1 755	– 87	1 287	6 492	233	3 935
1983 *1*	1 720	– 287	3 736	1 853	– 86	1 536	6 117	226	4 526
2	1 207	– 181	3 424	1 759	–107	1 447	5 550	94	4 284
3	1 193	– 328	3 641	1 507	– 91	1 360	7 475	75	4 488
4	1 033	– 458	3 526	1 517	– 51	1 455	7 094	84	5 431
1984 *1*	1 281	– 469	3 478	1 382	– 26	1 520	8 203	94	4 663
2									

	Personal sector			Financial Surplus/Deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Balancing item[6]
1979	17 421	177	7 500	–8 374	230	–1 478	10 098	553	–1 029
1980	23 265	275	7 602	–10 630	–581	718	15 938	–3 635	–1 810
1981	21 159	202	7 978	–8 555	–699	3 317	13 383	–7 251	– 195
1982	19 679	497	10 411	–7 177	66	4 636	9 765	–5 774	–1 516
1983	17 155	1 110	12 093	–10 428	503	7 986	6 172	–2 924	–1 309
1979 *3*	4 220	32	1 874	–1 997	222	– 477	2 378	– 148	22
4	5 868	58	2 179	–2 668	– 3	– 683	3 747	258	– 651
1980 *1*	4 928	71	2 058	–2 002	– 77	467	2 941	– 157	–1 172
2	5 554	85	1 958	–2 593	112	– 67	3 681	– 68	–1 065
3	6 311	115	1 910	–3 415	–134	176	4 516	–1 305	162
4	6 472	4	1 676	–2 620	–482	142	4 800	–2 105	265
1981 *1*	5 955	38	1 892	–2 911	– 64	635	4 101	–3 079	1 318
2	4 930	45	1 775	–2 481	–235	1 024	3 200	–2 107	599
3	4 999	73	2 162	–2 198	–281	982	2 910	– 643	– 770
4	5 275	46	2 149	– 965	–119	676	3 172	–1 422	–1 342
1982 *1*	5 801	103	2 480	– 465	–452	– 154	3 424	–1 740	– 613
2	5 333	70	2 554	–1 982	14	288	2 849	– 819	– 350
3	4 409	167	2 580	–1 927	123	1 712	1 996	–1 118	– 786
4	4 136	157	2 797	–2 803	381	2 790	1 496	–2 097	233
1983 *1*	4 077	147	2 898	–2 303	231	1 817	1 326	–1 589	518
2	4 095	194	2 965	–2 398	205	1 360	1 324	89	– 580
3	4 092	344	3 085	–2 776	56	3 062	1 351	– 828	– 865
4	4 891	425	3 145	–2 951	11	1 747	2 171	– 596	– 382
1984 *1*	4 837	401	3 688	– 2 666	–164	3 634	1 550	– 838	–1 516
2								554	

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation, stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
[6] For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
1979
1980
1981
1982
1983
1984

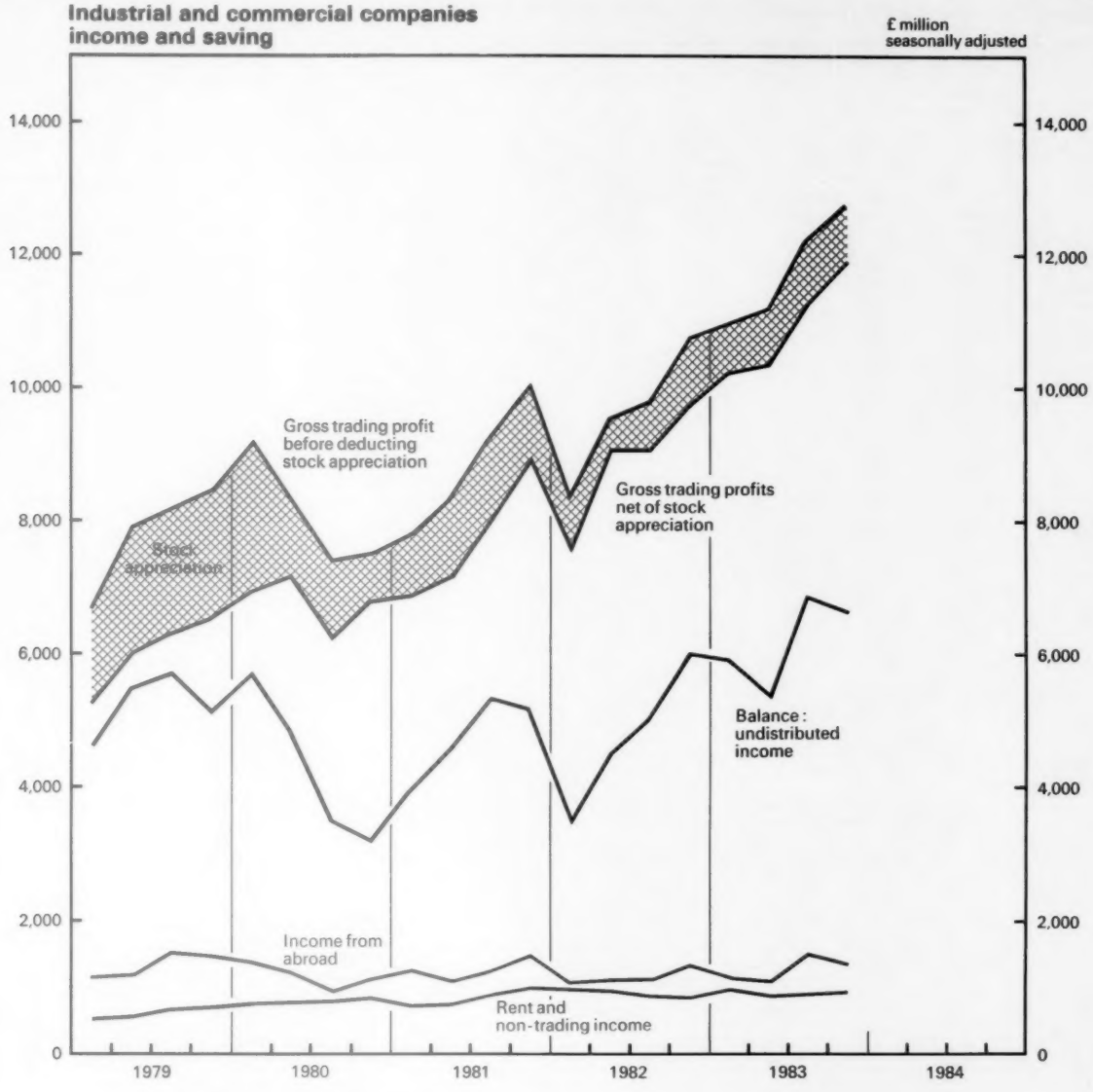
Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

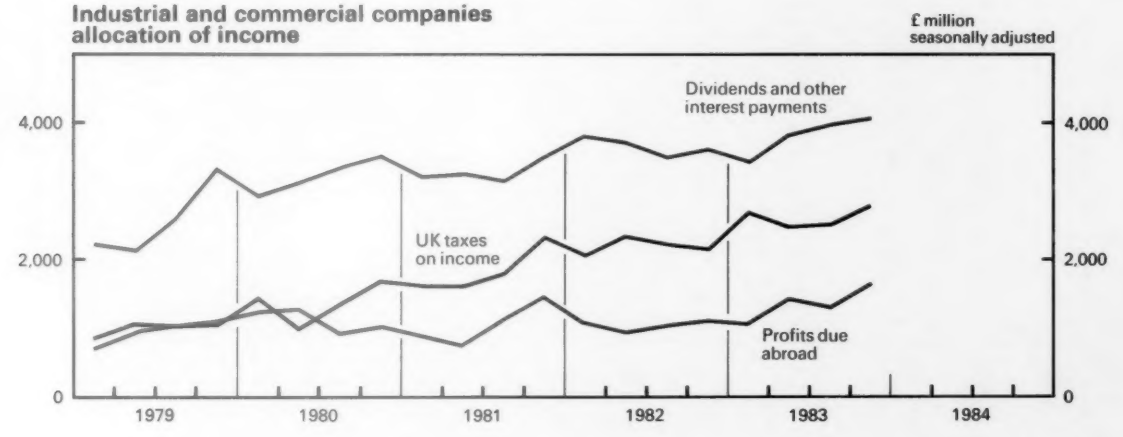
	Income								Allocation of income				Balance	
		Income arising in the United Kingdom							Dividends, interest and current transfer payments					
		Gross trading profits												
		Net of stock appreciation												
	Total income	N. Sea oil companies	Other companies	Total	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Dividends on ordinary shares[2]	Other[2,3]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[4]	Undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1973	14 004	33	8 768	8 801	2 261	11 062	1 002	1 940	1 638	2 401	646	1 303	8 016	7 623
1974	16 199	−17	8 043	8 026	4 744	12 770	1 288	2 141	1 469	3 382	506	2 075	8 767	8 236
1975	15 963	−50	8 835	8 785	4 252	13 037	1 301	1 625	1 508	3 363	422	1 631	9 039	8 416
1976	20 363	527	10 530	11 057	5 372	16 429	1 562	2 372	1 795	3 938	724	1 377	12 529	11 402
1977	25 319	1 971	15 593	17 564	3 977	21 541	1 434	2 344	2 144	4 093	1 729	2 336	15 017	15 082
1978	29 477	2 614	19 103	21 717	3 376	25 093	1 728	2 656	2 591	4 423	1 980	3 052	17 431	17 393
1979	39 022	5 249	18 833	24 082	7 195	31 277	2 444	5 301	4 169	6 122	3 736	3 988	21 007	21 956
1980	40 222	8 057	19 142	27 199	5 193	32 392	3 161	4 669	4 173	8 807	4 493	5 502	17 247	18 006
1981	43 926	10 865	20 100	30 965	4 545	35 510	3 389	5 027	4 047	9 108	4 224	7 426	19 121	18 841
1982	47 533	12 708	23 403	36 111	3 064	39 175	3 682	4 676	4 505	9 971	4 084	8 790	20 183	19 688
1983	57 161	15 652	28 825	44 477	3 552	48 029	3 731	5 401	5 199	10 072	5 031	10 623	26 236	25 273
1977 *1*	6 358	440	3 430	3 870	1 416	5 286	434	638	464	1 161	362	487	3 884	3 834
2	6 278	505	3 850	4 355	955	5 310	349	619	532	1 003	453	587	3 703	3 723
3	6 453	517	4 096	4 613	948	5 561	338	554	556	1 001	474	618	3 804	3 817
4	6 230	509	4 217	4 726	658	5 384	313	533	592	928	440	644	3 626	3 708
1978 *1*	6 762	565	4 750	5 315	529	5 844	334	584	526	890	453	659	4 234	4 288
2	7 322	643	4 619	5 262	969	6 231	415	676	719	1 070	433	750	4 350	4 343
3	7 755	634	5 105	5 739	874	6 613	462	680	660	1 153	510	795	4 637	4 578
4	7 638	772	4 629	5 401	1 004	6 405	517	716	686	1 310	584	848	4 210	4 184
1979 *1*	8 420	958	4 299	5 257	1 442	6 699	555	1 166	846	1 369	709	868	4 628	4 615
2	9 703	1 176	4 819	5 995	1 946	7 941	572	1 190	766	1 392	971	1 059	5 515	5 861
3	10 339	1 506	4 789	6 295	1 903	8 198	642	1 499	1 005	1 597	1 002	1 024	5 711	6 010
4	10 560	1 609	4 926	6 535	1 904	8 439	675	1 446	1 552	1 764	1 054	1 037	5 153	5 470
1980 *1*	11 322	1 970	4 961	6 931	2 256	9 187	756	1 379	862	2 107	1 251	1 422	5 680	6 133
2	10 286	1 902	5 294	7 196	1 108	8 304	767	1 215	1 004	2 155	1 290	1 002	4 835	4 975
3	9 165	1 967	4 297	6 264	1 150	7 414	791	960	1 156	2 205	921	1 385	3 498	3 637
4	9 449	2 218	4 590	6 808	679	7 487	847	1 115	1 151	2 340	1 031	1 693	3 234	3 261
1981 *1*	9 770	2 502	4 335	6 837	957	7 794	741	1 235	1 048	2 171	910	1 635	4 006	3 892
2	10 212	2 588	4 559	7 147	1 217	8 364	757	1 091	1 120	2 110	770	1 628	4 584	4 343
3	11 433	2 776	5 251	8 027	1 304	9 331	892	1 210	975	2 201	1 075	1 811	5 371	5 339
4	12 511	2 999	5 955	8 954	1 067	10 021	999	1 491	904	2 626	1 469	2 352	5 160	5 267
1982 *1*	10 627	2 753	4 997	7 750	794	8 544	984	1 099	1 290	2 525	1 030	2 033	3 749	3 719
2	11 635	2 863	6 225	9 088	479	9 567	968	1 100	1 207	2 550	964	2 353	4 561	4 569
3	12 097	3 395	5 960	9 355	771	10 126	886	1 085	1 066	2 475	954	2 221	5 381	5 447
4	13 174	3 697	6 221	9 918	1 020	10 938	844	1 392	942	2 421	1 136	2 183	6 492	5 953
1983 *1*	13 272	3 881	6 532	10 413	722	11 135	942	1 195	842	2 588	1 012	2 713	6 117	6 089
2	13 337	3 454	6 970	10 424	821	11 245	920	1 172	1 331	2 479	1 427	2 550	5 550	5 695
3	15 159	4 001	7 651	11 652	961	12 613	931	1 615	1 419	2 526	1 168	2 571	7 475	7 377
4	15 393	4 316	7 672	11 988	1 048	13 036	938	1 419	1 607	2 479	1 424	2 789	7 094	6 112
1984 *1*	16 028	4 491	8 312	12 803	837	13 640	969	1 419	1 344	2 438	1 390	2 653	8 203	9 036

[1] Before providing for depreciation and stock appreciation.
[2] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.
[3] Including royalties and licence fees on oil and gas production.
[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

	Receipts						Expenditure				
					Capital transfers						
	Total receipts	Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Investment grants	Other	Total expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Balance: Financial surplus/deficit
1979	14 222	21 007	7 195	13 812	21	389	15 700	13 880	1 734	86	−1 478
1980	12 554	17 247	5 193	12 054	37	463	11 836	14 750	−3 027	113	718
1981	15 290	19 121	4 545	14 576	42	672	11 973	14 561	−2 711	123	3 317
1982	17 770	20 183	3 064	17 119	45	606	13 134	14 821	−1 754	67	4 636
1983	23 338	26 236	3 552	22 684	49	605	15 352	15 221	− 44	175	7 986
1980 *1*	3 516	5 680	2 256	3 424	6	86	3 049	3 612	− 593	30	467
2	3 834	4 835	1 108	3 727	10	97	3 901	3 687	187	27	− 67
3	2 493	3 498	1 150	2 348	12	133	2 317	3 675	−1 388	30	176
4	2 711	3 234	679	2 555	9	147	2 569	3 776	−1 233	26	142
1981 *1*	3 216	4 006	957	3 049	9	158	2 581	3 698	−1 145	28	635
2	3 552	4 584	1 217	3 367	11	174	2 528	3 601	−1 103	30	1 024
3	4 262	5 371	1 304	4 067	11	184	3 280	3 619	− 368	29	982
4	4 260	5 160	1 067	4 093	11	156	3 584	3 643	− 95	36	676
1982 *1*	3 105	3 749	794	2 955	10	140	3 259	3 619	− 314	−46	− 154
2	4 195	4 561	479	4 082	8	105	3 907	3 623	249	35	288
3	4 726	5 381	771	4 610	9	107	3 014	3 789	− 814	39	1 712
4	5 744	6 492	1 020	5 472	18	254	2 954	3 790	− 875	39	2 790
1983 *1*	5 655	6 117	722	5 395	18	242	3 838	3 601	203	34	1 817
2	4 864	5 550	821	4 729	9	126	3 504	3 758	− 295	41	1 360
3	6 639	7 475	961	6 514	10	115	3 577	3 741	− 214	50	3 062
4	6 180	7 094	1 048	6 046	12	122	4 433	4 121	262	50	1 747
1984 *1*	7 505	8 203	837	7 366	10	129	3 871	3 978	− 152	45	3 634

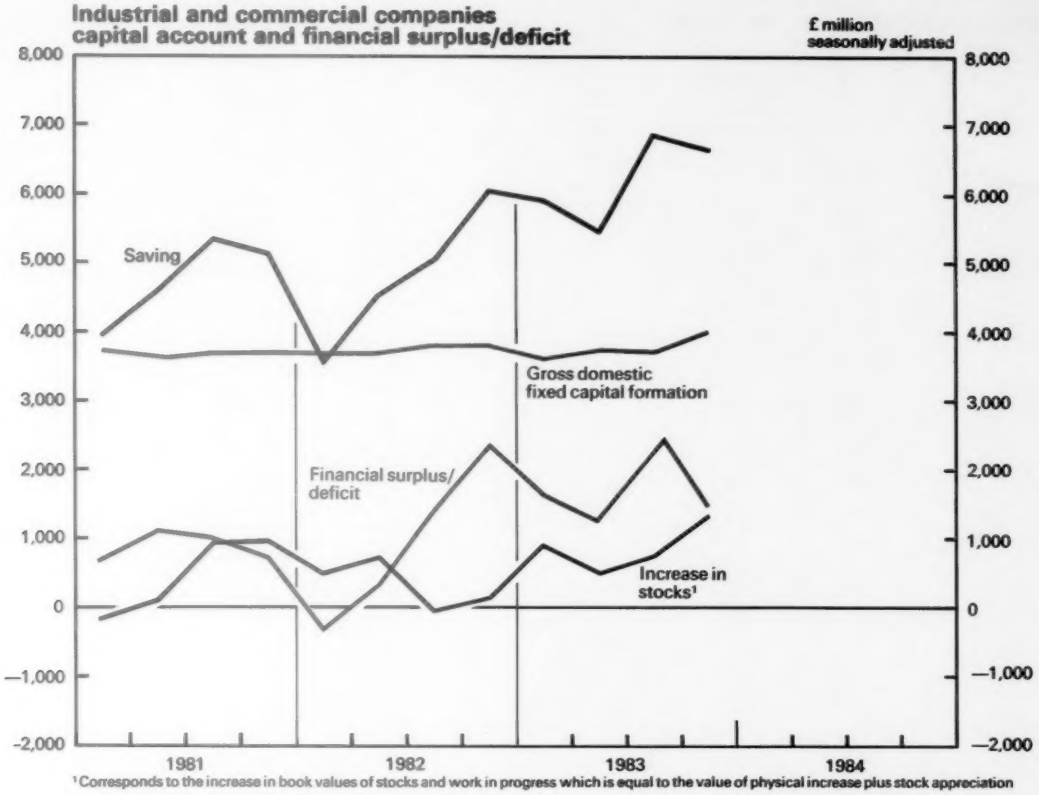
Financial transactions including net borrowing requirement of industrial and commercial companies[1]

£ million, seasonally adjusted

	Transactions leading to net borrowing requirement						Financing of net borrowing requirement[5]				
							Borrowing from		Financial assets		
	Financial surplus/deficit	Net unremitted profits[2]	Net identified trade and other credit[3]	Investment in UK company securities[4]	Investment abroad	Balancing item	Banks[6]	Other	Liquid	Other	Net borrowing requirement (NBR)
1979	−1 478	949	1 987	−1 904	−3 584	−1 237	3 981	2 016	− 715	− 15	5 267
1980	718	759	− 524	− 947	−2 979	−2 735	6 340	3 366	−3 556	− 442	5 708
1981	3 317	− 280	724	−1 286	−3 870	−1 590	5 847	3 488	−4 809	−1 541	2 985
1982	4 636	− 495	− 890	−1 281	−2 716	−4 866	6 563	3 164	−2 662	−1 453	5 612
1983	7 986	− 963	375	−1 381	−2 392	−2 710	1 977	5 111	−6 264	−1 739	− 915
1980 *1*	467	453	−1 113	− 180	−1 082	−1 565	2 419	527	388	− 314	3 020
2	− 67	140	116	− 185	−1 200	− 767	1 895	737	− 374	− 295	1 963
3	176	139	86	− 434	− 158	− 574	1 406	799	−1 694	254	765
4	142	27	389	− 148	− 539	91	620	1 303	−1 798	− 87	38
1981 *1*	635	− 114	− 694	− 336	−1 070	1 939	644	261	−1 219	− 46	− 360
2	1 024	− 241	2 680	− 254	− 901	− 40	−1 028	1 413	−1 587	−1 066	−2 268
3	982	− 32	245	− 293	− 854	− 656	1 795	931	−1 877	− 241	608
4	676	107	−1 508	− 403	−1 045	−2 791	4 169	883	100	− 188	4 964
1982 *1*	− 154	− 30	835	− 290	− 788	−2 935	3 182	1 260	−1 265	185	3 362
2	288	8	−1 252	− 340	− 466	− 522	1 112	854	376	− 58	2 284
3	1 712	66	− 70	− 375	− 744	−1 220	1 947	365	−1 133	− 548	631
4	2 790	− 539	− 404	− 276	− 718	160	589	685	−1 255	−1 032	−1 013
1983 *1*	1 817	− 28	1 446	− 228	− 952	−1 226	− 795	926	− 815	− 145	− 829
2	1 360	145	− 807	− 525	− 99	−1 048	284	1 288	− 267	− 331	974
3	3 062	− 98	− 717	− 323	− 653	−2 764	1 569	1 555	−1 381	− 250	1 493
4	1 747	− 982	452	− 305	− 688	2 328	919	1 342	−3 800	−1 013	−2 552
1984 *1*	3 634	833	1 390	− 999	−1 089	−5 085	2 614	−186	−1 146	34	1 316

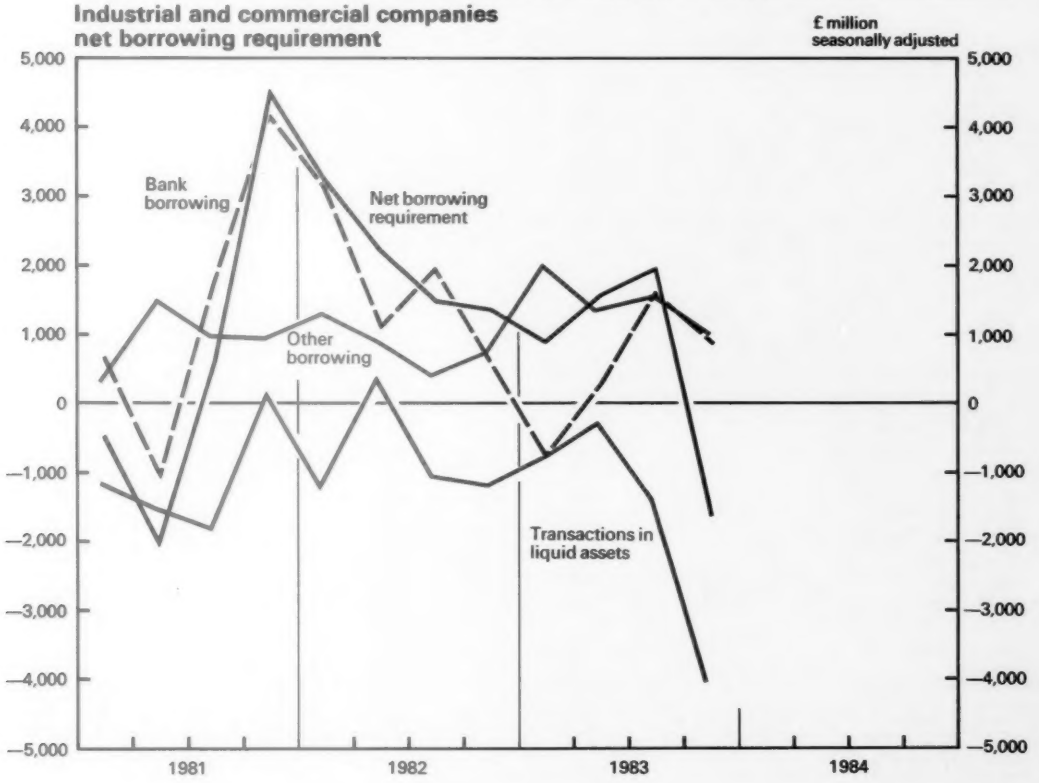
[1] Inflows (+), outflows (−); Relationships between columns: 1+2+3+4+5+6+7+8+9+10=zero; 7+8+9+10=11
[2] Retained in UK (+), retained abroad (−).
[3] Includes accruals adjustment.
[4] Cash expenditure on subsidiaries and trade investments in the United Kingdom.
[5] The NBR seasonal adjustments include day-of-week adjustments the quarterly figures therefore do not always sum to the annual totals.
[6] Includes Bank of England Issue Department transactions in commercial bills.

Industrial and commercial companies capital account and financial surplus/deficit



[1] Corresponds to the increase in book values of stocks and work in progress which is equal to the value of physical increase plus stock appreciation

Industrial and commercial companies net borrowing requirement



UK banks' lending[1] to UK residents

	£ million, seasonally adjusted[2]					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1979	925	1 540	−615	9 475	8 573	902
1980	1 662	2 374	−712	10 900	9 622	1 278
1981	− 538	252	−790	11 638	8 846	2 792
1982	−2 324	−2 272	− 52	14 576	12 843	1 733
1983	−1 940	−2 055	115	14 885	13 531	1 354
1978 *1*	360	589	−229	784	663	121
2	−1 683	−1 444	−239	1 822	1 443	379
3	209	269	− 60	1 389	1 083	306
4	897	781	116	1 735	1 521	214
1979 *1*	− 682	− 520	−162	2 551	2 318	233
2	459	630	−171	2 584	2 198	386
3	276	427	−151	1 952	1 935	17
4	548	679	−131	2 388	2 122	266
1980 *1*	− 28	144	−172	2 681	2 358	323
2	713	691	22	3 497	2 663	834
3	− 220	184	−404	3 232	3 087	145
4	1 197	1 355	−158	1 490	1 514	− 24
1981 *1*	1 572	1 487	85	19	−454	473
2	− 848	− 87	−761	3 587	3 619	− 32
3	214	432	−218	3 704	2 516	1 188
4	−1 209	−1 313	104	4 061	2 898	1 163
1982 *1*	1 238	1 226	12	2 054	1 644	410
2	−1 148	−1 144	− 4	4 794	4 401	393
3	− 128	− 139	11	3 134	2 989	145
4	−2 204	−2 133	− 71	4 861	4 076	785
1983 *1*	872	872	—	2 971	3 425	−454
2	−1 859	−1 839	− 20	5 012	4 443	569
3	− 815	− 765	− 50	3 179	2 003	1 176
4	− 138	− 323	185	3 723	3 660	63
1984 *1*	1 592	1 628	− 36	2 590	1 730	860

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

[3] From the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

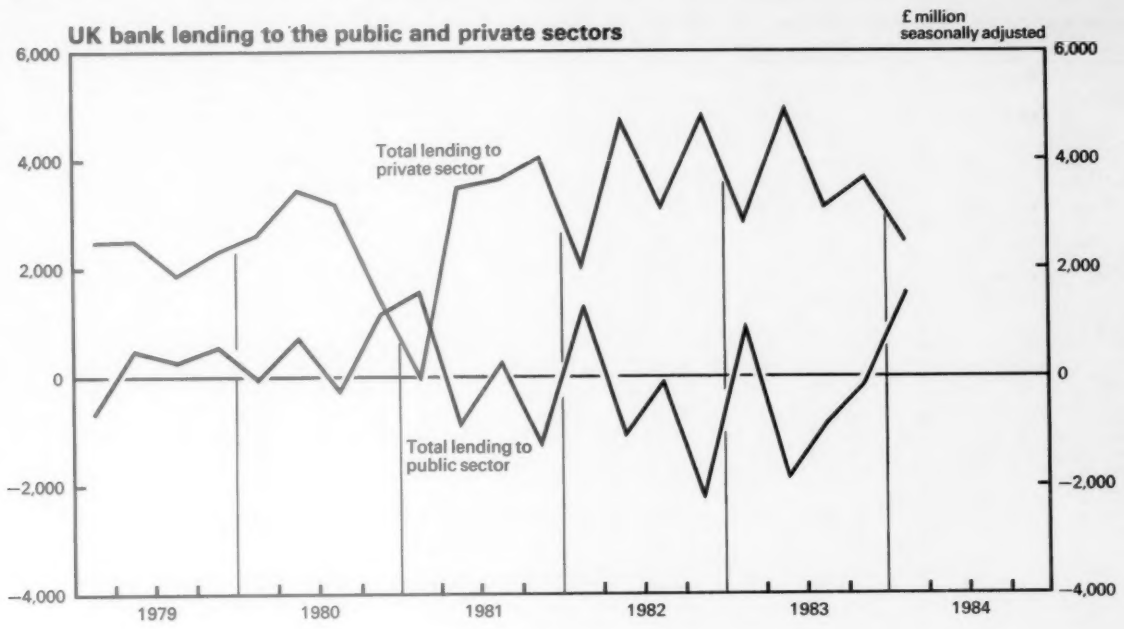
UK banks' advances and acceptances to UK residents[1]

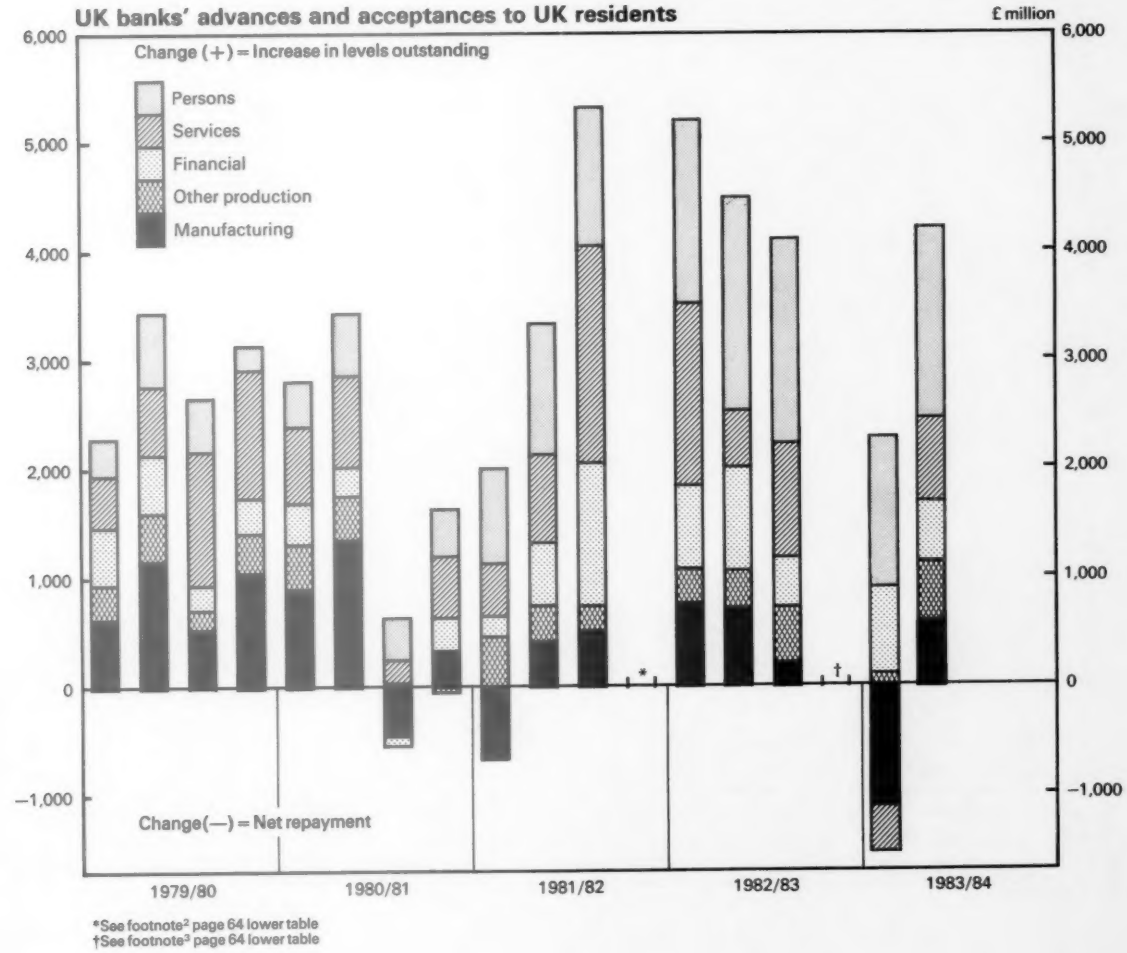
		£ million					
		Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (Aug 1983):		116 050	23 199	11 644	22 193	33 444	25 569
Changes							
1980	May-August	3 449	1 374	411	245	867	551
	August-November	153	− 429	44	−74	223	389
	November-February	1 628	352	−35	306	550	455
1981	February-May	1 351	− 658	494	190	483	842
	May-August	3 358	417	363	559	810	1 209
	August-November	5 370	522	256	1 278	2 034	1 280
	November-February[2]	..	..	..	..	..	..
1982	February-May	5 235	783	316	764	1 692	1 680
	May-August	4 518	725	372	920	492	2 008
	August-November	4 133	225	517	458	1 069	1 864
	November-February[3]	..	..	..	..	..	1 276
1983	February-May	789	−1 098	125	786	−414	1 389
	May-August	4 253	627	543	544	780	1 758

[1] For a more detailed breakdown of these figures see *Financial Statistics* Table 6.7. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

[2] Due to the implementation of the new monetary sector, changes for the November 1981 - February 1982 period cannot be calculated.

[3] From February 1983 market loans to 'UK public corporations' and to 'UK private sector' were classified as advances. In November 1982 these amounted to £2 844 million. Changes for the November 1982 - February 1983 period are therefore not shown, except for lending to persons which is thought not to be affected.





*See footnote[2] page 64 lower table
†See footnote[3] page 64 lower table

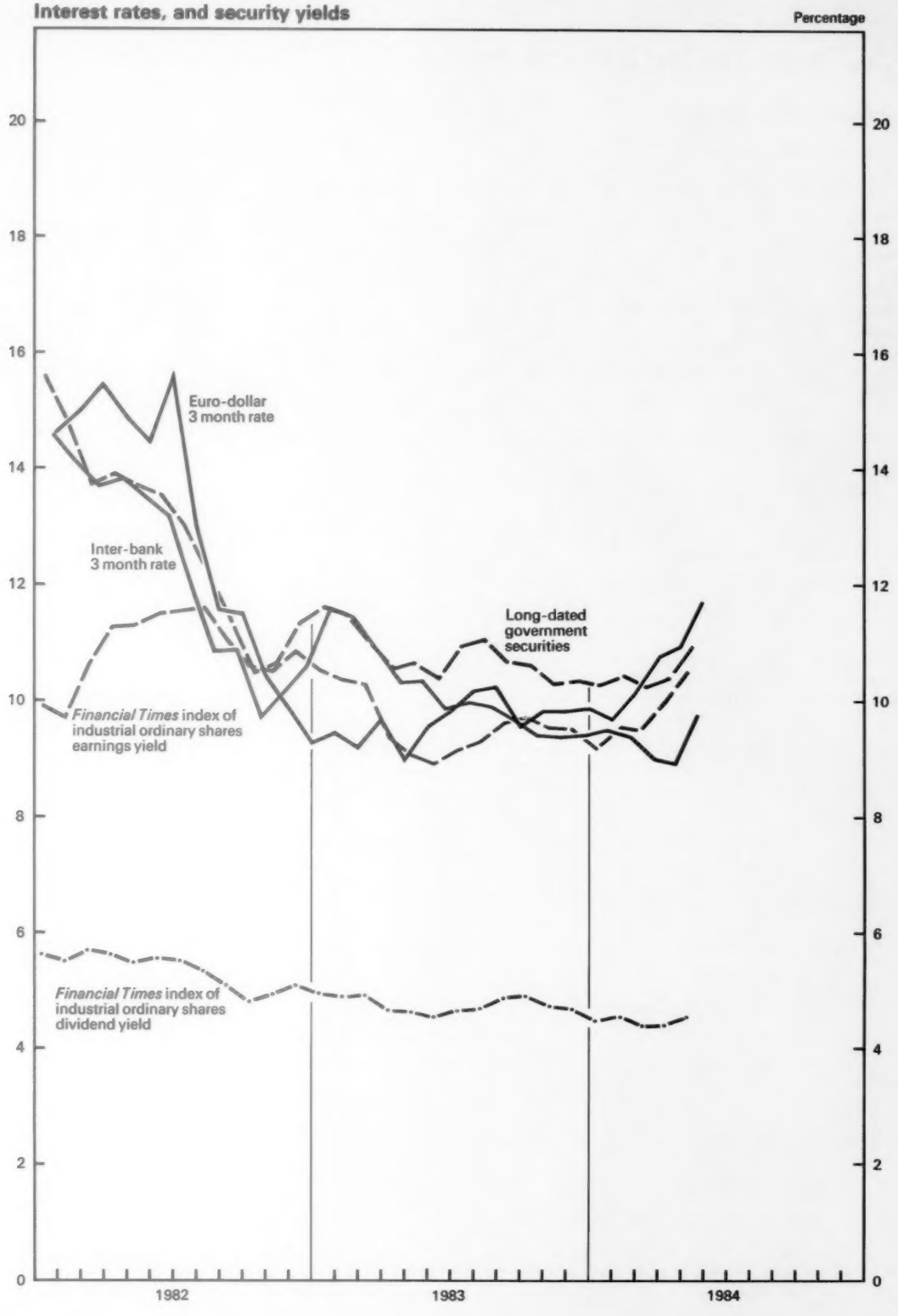
Interest rates, security prices and yields

Percentage rate

	Last Friday							Last working day		Average of working days		
				London clearing banks						*Financial Times* index of industrial ordinary shares		
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	Base rate	Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated[7] (20 years)	1 July 1935 = 100		
											Price index	Dividend yield	Earnings yield
1975	11½	10.93	11½ -11⅜	11	7	11 1/16-11 3/16	11-11½	5⅝	7.00	14.39	311.0	6.81	19.49
1976	14½	13.98	14½ -15	14	11	14⅛ -14⅜	14 1/16-14⅛	5 1/16	7.80	14.43	368.0	5.96	17.61
1977	7	6.39	6½	6½ - 7½	3½ - 4½	6 5/16- 6½	6⅛ - 6 5/16	7 1/16	6.00	12.73	452.3	5.42	16.50
1978	12½	11.91	12⅜ -12½	12½	10	12 7/16-12⅜	12⅜ -12½	11 11/16	8.00	12.47	479.4	5.65	16.47
1979	17	16.49	16 11/16-17⅛	17	15	16 11/16-17 1/16	16 11/16-16⅞	14½	10.50	12.99	475.5	6.49	16.61
1980	14	13.58	14⅛ -14⅜	14	11½ -12	14⅛ -14⅜	14⅛ -14⅜	17⅜	10.50	13.79	464.5	7.62	18.14
1981	..	15.39	15½ -15 11/16	14½	12⅜ -12½	15 5/16-15⅝	15⅛ -15⅝	13⅜	9.75	14.75	518.5	6.23	12.12
1982	..	9.96	10⅜	10-10½	6½ - 7	10 7/16-10⅜	10 5/16-10 7/16	9⅛	6.25	12.88	574.7	5.29	10.82
1983	..	9.04	9 1/16	9	5½	9 11/16- 9 13/16	9⅛ - 9 1/16	9¼	7.25	10.81	692.6	4.70	9.58
1981 *F*	14	11.93	12⅜ -12⅝	14	11½	12 7/16-12 11/16	12⅛ -12⅜	16 11/16	9.25	13.89	487.0	7.35	16.38
M	12	11.87	12⅜ -12 11/16	12	9	12⅜ -12⅝	12⅛ -12⅜	14⅜	9.25	13.68	497.8	6.78	14.39
A	12	11.57	12 1/16	12	9	12 1/16-12⅜	12⅛ -12 1/16	16 11/16	8.50	13.64	559.2	5.88	11.57
M	12	11.78	12⅛ -12⅜	12	9	12 7/16-12 9/16	12⅛ -12⅜	17⅜	8.50	14.31	557.8	5.91	11.59
J	12	12.24	12 7/16-12⅝	12	9	12 7/16-12⅝	12⅜ -12⅛	17 11/16	8.50	14.57	545.0	5.92	11.73
J	12	14.29	14⅜ -14⅝	12	9	14⅜ -14⅝	14⅛ -14 9/16	18⅜	8.50	15.14	528.2	6.01	11.70
A	..	13.64	14 1/16-14⅛	12	9	14 -14 1/16	13 13/16-13 15/16	18 11/16	8.50	15.09	554.4	5.51	9.83
S	..	15.72	15⅝ -15⅞	14	11-11½	15 9/16-16⅛	15⅜ -15 7/16	17⅛	8.50	15.59	525.0	5.76	9.99
O	..	16.30	16⅛ -16⅜	15½	13½ -14	16 3/16-16⅜	16⅛ -16⅜	15 11/16	8.50	15.95	474.4	6.27	10.85
N	..	14.25	14 11/16-15	15	13	14 11/16-14 13/16	14 11/16-14 13/16	12	9.75	15.44	511.1	5.86	9.92
D	..	15.39	15½ -15 11/16	14½	12½ -12⅝	15 5/16-15⅜	15⅜ -15⅝	13⅜	9.75	15.65	522.8	5.76	10.05
1982 *J*	..	13.98	14⅛	14	11½ -12	14 7/16-14⅜	14 3/16-14 5/16	14⅜	9.75	15.58	543.4	5.57	9.83
F	..	13.74	13 13/16-14	13½	11	14 -14⅛	13⅞ -14	15	9.75	14.74	565.6	5.43	9.62
M	..	12.92	13⅜ -13 11/16	13	10 -10½	13 3/16-13 11/16	13 1/16-13⅜	15 11/16	9.75	13.72	560.4	5.63	10.57
A	..	13.41	13⅜ -13⅝	13	10 -10½	13⅜ -13⅝	13⅜ -13 11/16	14⅛	8.75	13.96	563.6	5.57	11.22
M	..	13.08	13 3/16-13⅜	13	10 -10½	13 3/16-13⅜	13⅜ -13⅝	14 1/16	8.75	13.69	578.8	5.41	11.25
J	..	12.66	13⅛	12½	9½	13 1/16-13 3/16	13 -13 1/16	15 11/16	8.75	13.56	570.0	5.49	11.45
J	..	11.40	11⅞	12	9	11 13/16-12	11 11/16-11⅞	13	8.75	13.20	559.7	5.47	11.51
A	..	10.17	10⅜	11	8	10 11/16-10⅞	10 5/16-10 11/16	11 1/16	8.75	12.23	561.1	5.28	11.58
S	..	10.12	10⅞	10½	7¼ - 7½	10 11/16-10 13/16	10⅜ -10⅝	11½	7.75	11.40	580.6	5.02	11.02
O	..	9.03	10⅛	9½	6	9 1/16-9 11/16	9⅜ - 9½	10 13/16	7.75	10.50	602.0	4.76	10.54
N	..	10.26	9⅞	9	5½	9 11/16-10½	9⅜ - 9⅝	9⅝	7.75	10.64	618.7	4.87	10.44
D	..	9.96	10⅛	10-10¼	6½ - 7	10 7/16-10⅜	10 5/16-10 7/16	9½	6.25	11.34	592.8	5.03	10.81
1983 *J*	..	11.24	11½	11	8	11½ -11⅝	11⅜ -11½	9 7/16	6.25	11.60	608.4	4.88	10.50
F	..	11.15	11 7/16	11	8	11 5/16-11½	11 5/16-11 7/16	9 5/16	6.25	11.50	646.5	4.82	10.34
M	..	10.23	10⅛	10½	7½	10 11/16-10⅞	10⅛ -10⅜	9 11/16	6.25	11.02	659.5	4.87	10.25
A	..	9.92	10 3/16	10	6½	10 3/16-10 5/16	10 -10⅛	8 13/16	6.25	10.56	685.6	4.60	9.36
M	..	9.93	10⅛	10	6½	10⅛ -10 11/16	10⅛ -10⅜	9 1/16	6.25	10.65	690.2	4.58	9.04
J	..	9.51	9 11/16	9½	6	9⅜ - 9⅝	9⅛ - 9⅜	9 11/16	6.25	10.39	716.6	4.47	8.88
J	..	9.62	9⅞	9½	6	9⅞ -10	9 11/16- 9⅞	10 1/16	7.25	10.95	697.9	4.60	9.12
A	..	9.56	9 11/16	9½	6	9 11/16- 9 13/16	9 11/16- 9 13/16	10⅛	7.25	11.07	724.4	4.62	9.27
S	..	9.17	9 11/16	9½	6	9 1/16- 9 11/16	9 7/16- 9 1/16	9 1/16	7.25	10.67	704.3	4.81	9.59
O	..	9.03	9 1/16	9	5½	9 1/16- 9⅜	9 11/16- 9⅛	—	7.25	10.61	693.5	4.87	9.67
N	..	9.06	9⅛	9	5½	9 1/16- 9 11/32	9 1/16- 9⅛	9 13/16	7.25	10.29	724.8	4.69	9.50
D	..	9.04	9 1/16	9	5½	9 11/32- 9 13/32	9⅛ - 9 1/16	9⅛	7.25	10.35	759.5	4.62	9.47
1984 *J*	..	9.06	9⅛	9	5½	9 1/16- 9½	9 1/16- 9⅛	9 11/16	7.25	10.28	810.6	4.41	9.16
F	..	9.05	9 1/16	9	5½	9 1/16- 9⅜	9 3/32- 9 11/32	10⅛	7.25	10.42	814.6	4.50	9.48
M	..	8.56	8 13/16	8.56	5.31	8 13/16- 9	8 27/32- 8 29/32	10⅛	6.25	10.23	866.4	4.34	9.43
A	..	8.54	8⅞	8.56	5.31	8 27/32- 8 29/32	8 13/16- 8⅞	10 11/32	6.25	10.40	881.1	4.36	9.93
M	..	9.19	9⅛	9.13	5.81	9 11/16- 9⅞	9 11/16- 9 13/16	11 3/32	6.25	10.93	870.6	4.49	10.44
J	..	9.06	9⅛	9.25	5.81	9⅛ - 9⅜	9 1/16- 9 1/16	12 1/16	6.25	11.15	824.5	4.79	11.13
J	..	11.69	12⅛	12.00	8.81	12 1/16-12 3/16	11⅞ -12	11⅞	6.25	11.67	787.6	5.08	11.80

[1] Previously known as Bank Rate. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate.
[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.
[3] For a minimum term of 3 months and thereafter at 7 days' notice.
[4] Rate paid on deposits of less than £10,000, which was restricted to 9½per cent from September 1973 to 28 February 1975.
[5] Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 a.m.
[6] Net of income tax where this is paid by societies at the agreed composite rate.
[7] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

Interest rates, and security yields



Cyclical indicators for the UK economy

Recent movements of the indicators

(*Data available to 20 August*)

The longer leading index fell sharply between March and July, mainly reflecting falls in share prices but also recent movements in interest rates, business optimism and housing starts. If further data confirm that the index has reached a turning point, this would suggest that, on the basis of past average timing relationships, the economic cycle will reach a peak sometime in early 1985. In interpreting this assessment, it should be remembered that a peak in the economic cycle does not necessarily imply a subsequent fall in activity but rather a reduction in the rate of growth (see Notes to Editors).

The shorter leading index rose between March and June, after a temporary fall at the start of the year. The rise reflected improvements over trend in new consumer credit and new car registrations. Based on less complete information, the index fell in July with downward effects from the balances reported in the CBI quarterly survey for new orders and expected changes in raw material stocks.

The coincident index has continued to rise, despite the impact of the coal dispute on the output of the production industries and the output measure of gross domestic product in the second quarter. However, only one component—the percentage of firms working below full capacity reported by the CBI quarterly survey—has had a significant upward effect on the index in recent months.

The lagging index has continued to rise with upward contributions from all components in recent months.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Recent movements of the indicators

Jan 1980 = 100

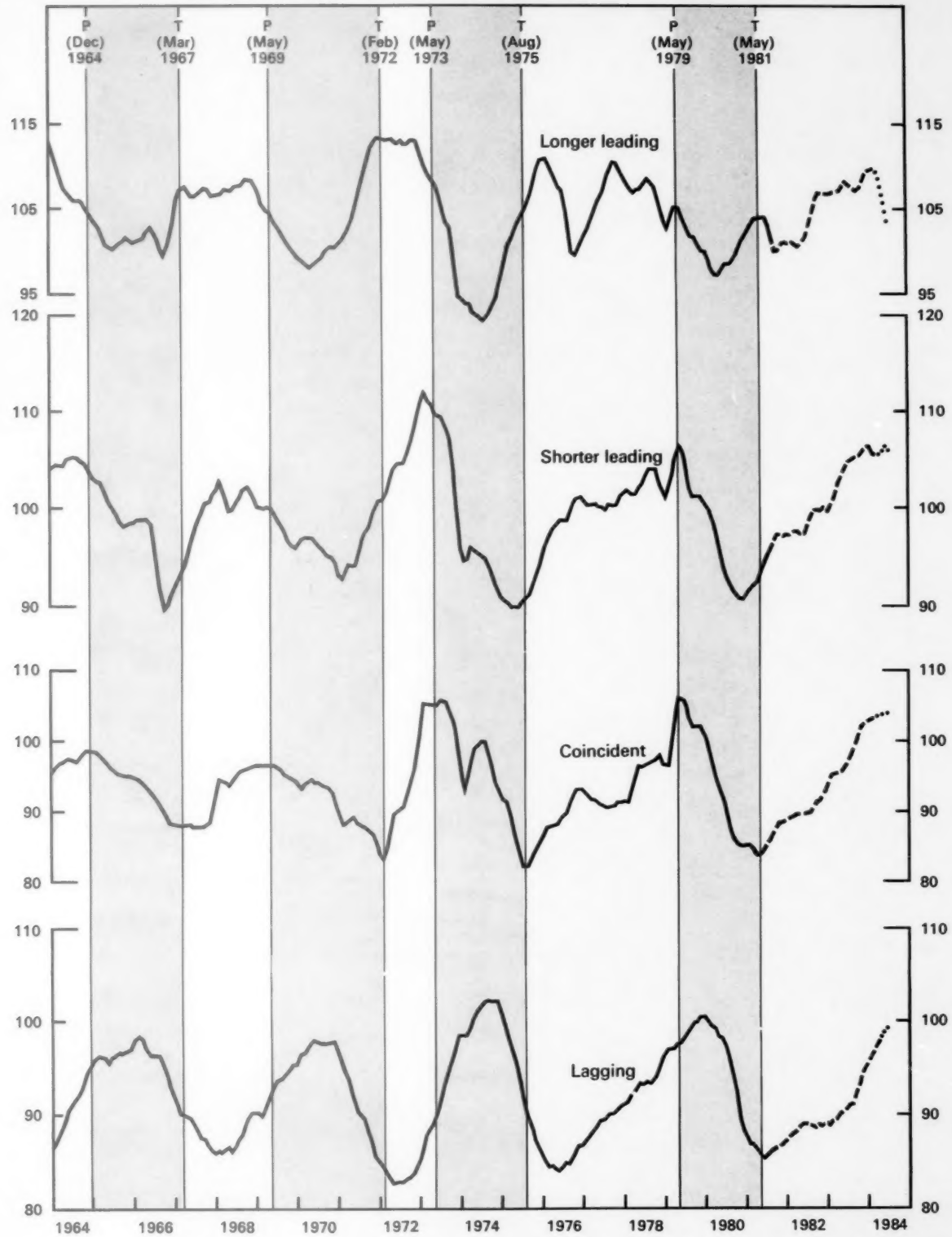
	Most recent values January 1980 = 100													Lead (−) or lag (+) in months relative to reference cycle dates		
	1983						1984									
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Mean	Earliest	Latest
Longer leading	108.6	108.4	107.9	107.6	107.9	109.0	109.9	110.3	110.4	109.9	108.3	106.1	103.6	−12	−21	− 5
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*3*			
Shorter leading	104.9	105.2	105.4	105.5	105.9	106.5	106.7	106.0	105.5	105.7	105.9	106.6	106.0	− 5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*2*			
Coincident	97.1	98.0	99.4	100.9	102.1	102.6	103.0	103.3	103.4	103.6	103.7	103.8	103.9	—	− 7	+ 5
	7	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*7*	*5*	*5*	*5*	*3*			
Lagging	90.8	91.0	92.0	93.0	94.4	95.0	95.6	96.2	96.9	97.8	98.6	99.0	—	+10	+ 1	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*				

[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further ten pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO.01-233 7661.

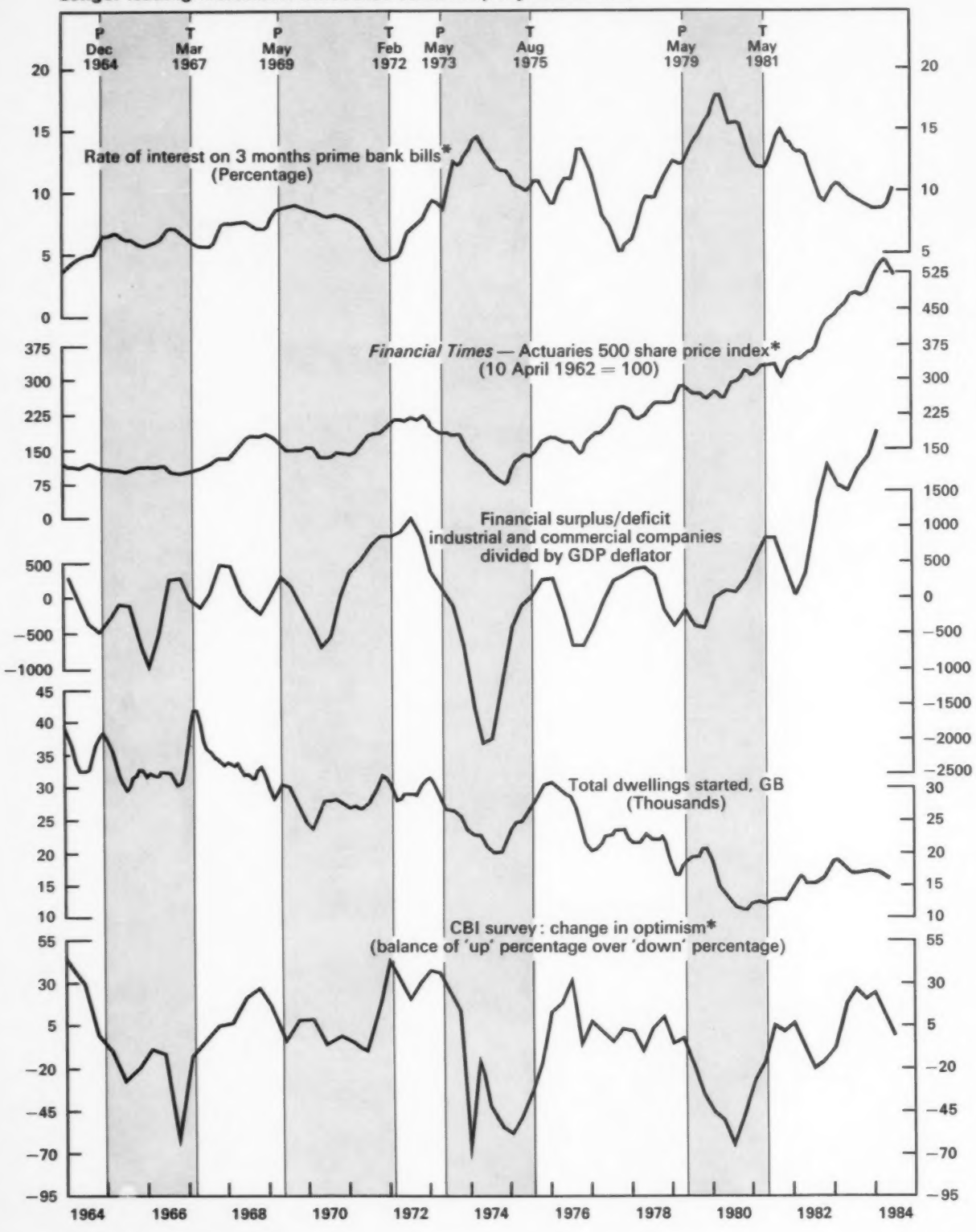
Cyclical indicators

Composite indices of indicator groups. January 1980 = 100



Cyclical indicators by timing classification

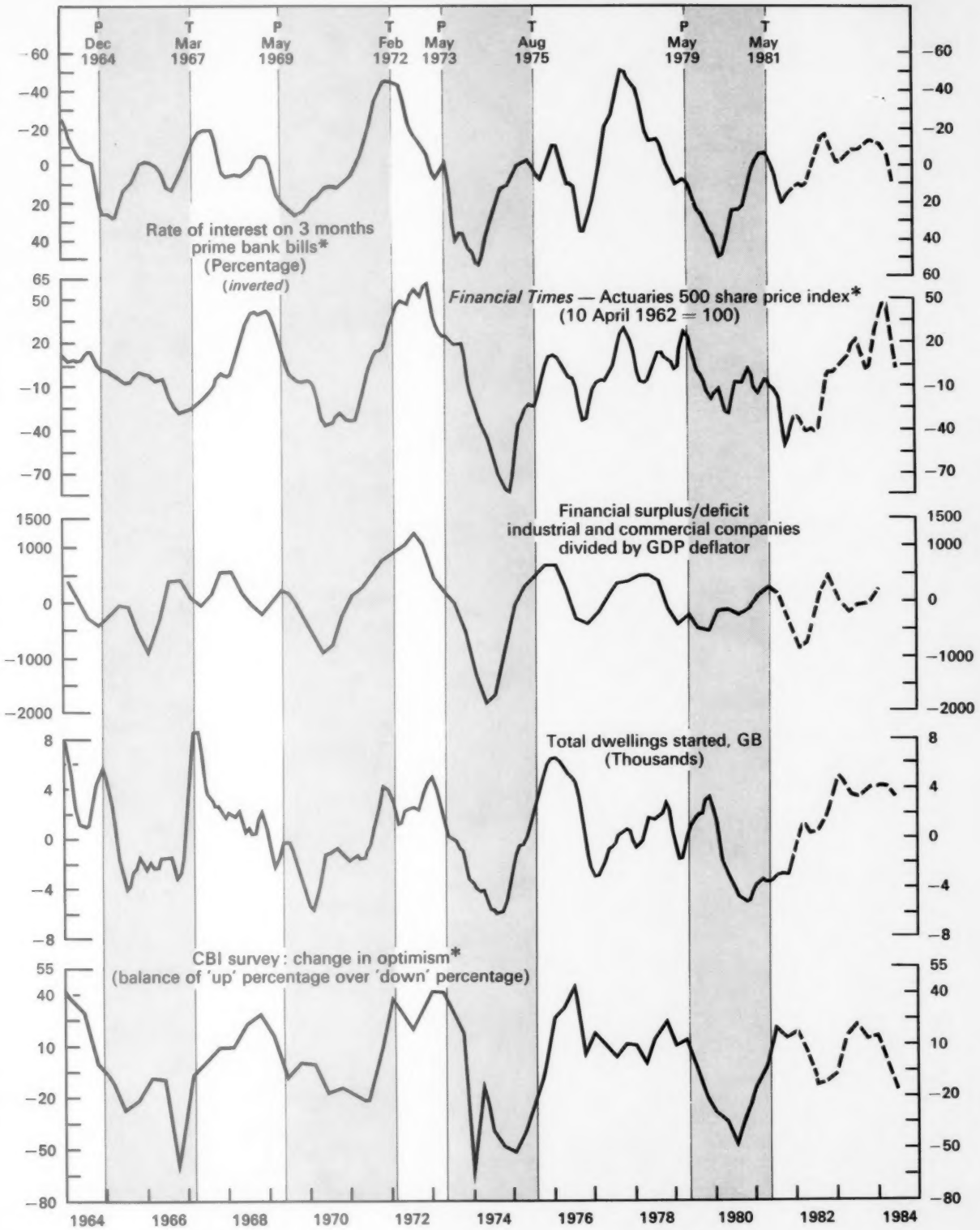
Longer leading indicators. Smoothed seasonally adjusted series



*Seasonally adjusted by CSO

Cyclical indicators by timing classification

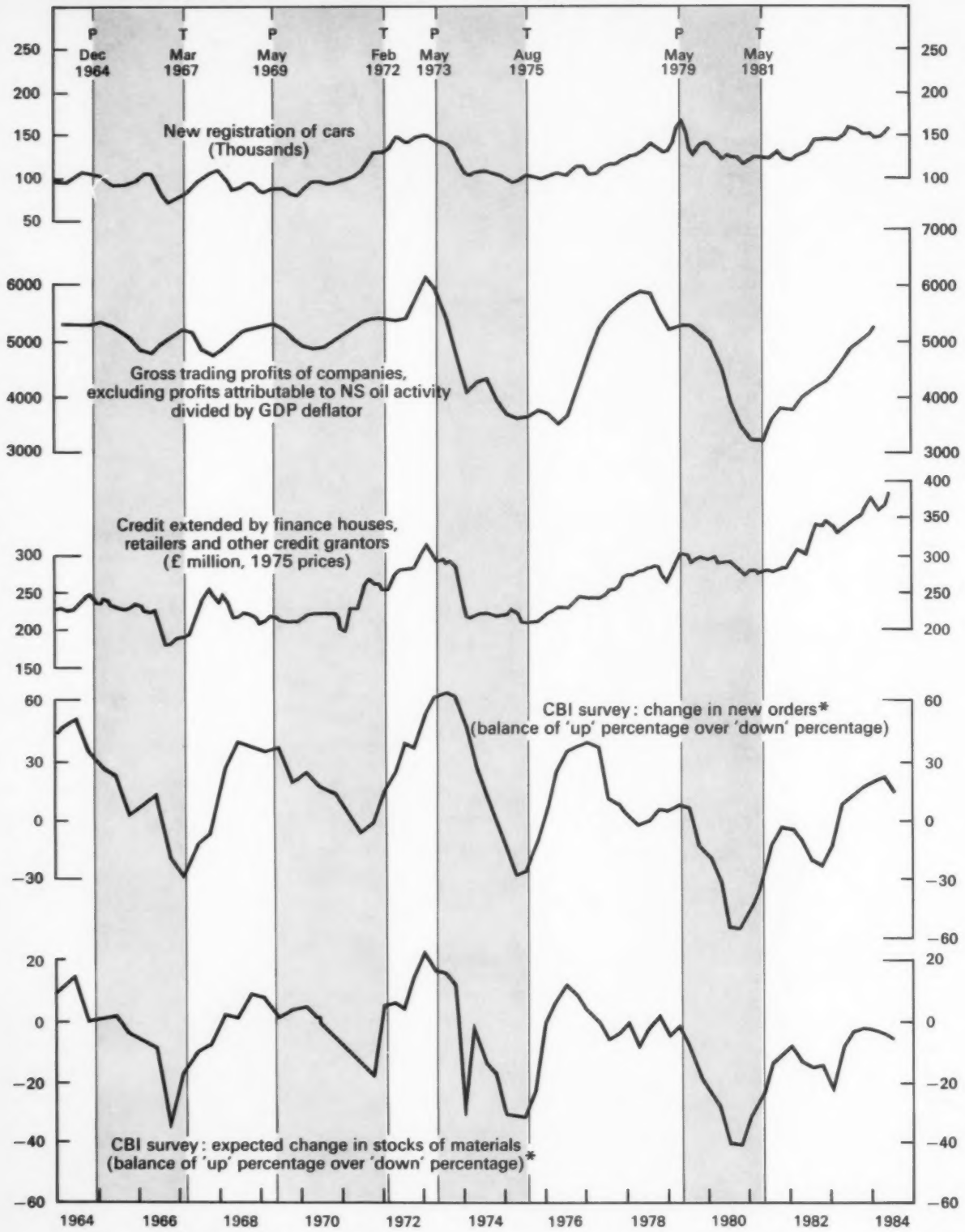
Longer leading indicators. Smoothed trend-eliminated series



*Seasonally adjusted by CSO

Cyclical indicators by timing classification

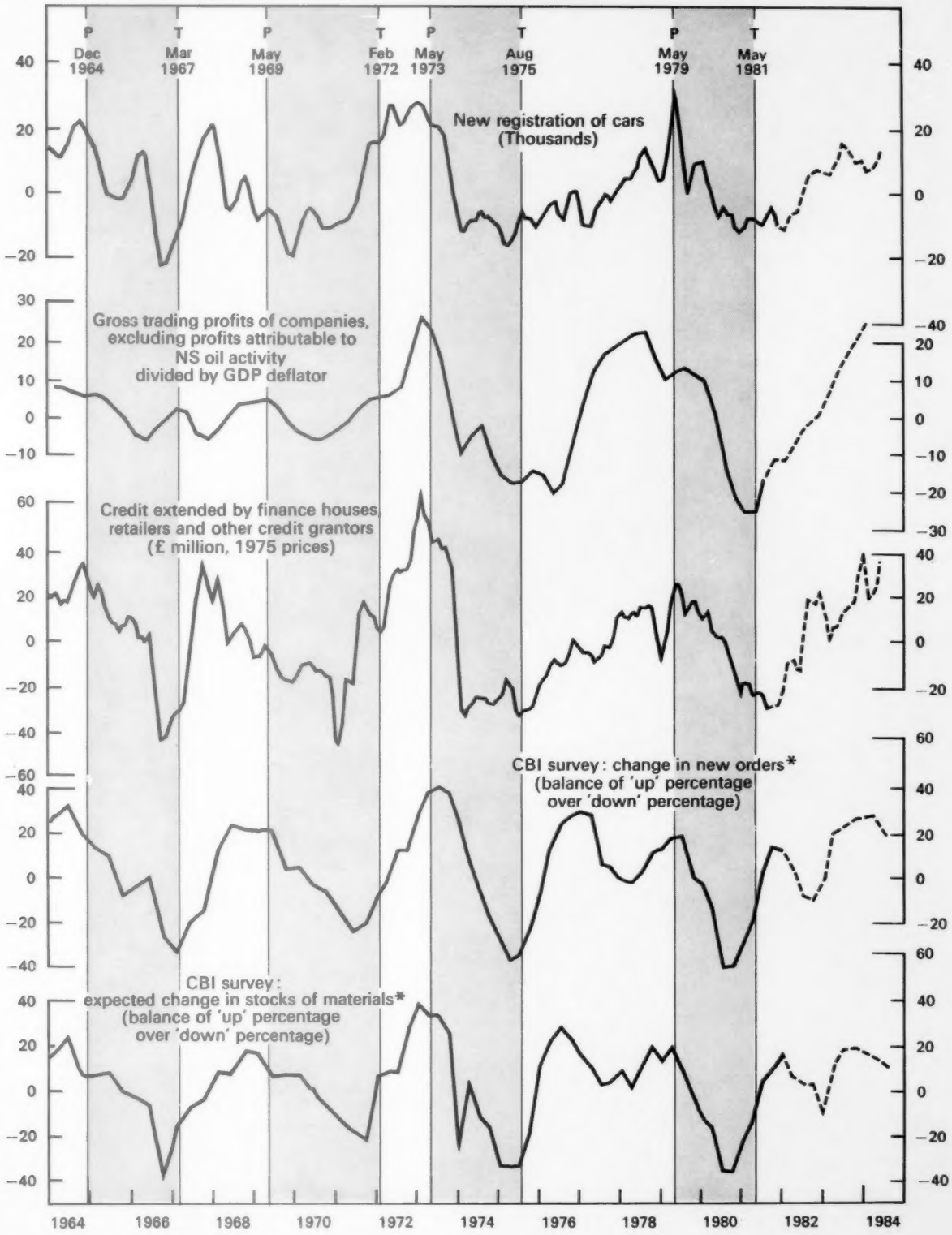
Shorter leading indicators. Smoothed seasonally adjusted series


P Dec 1964
T Mar 1967
P May 1969
T Feb 1972
P May 1973
T Aug 1975
P May 1979
T May 1981
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity divided by GDP deflator
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders* (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials (balance of 'up' percentage over 'down' percentage)*
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984

*Seasonally adjusted by CSO

Cyclical indicators by timing classification

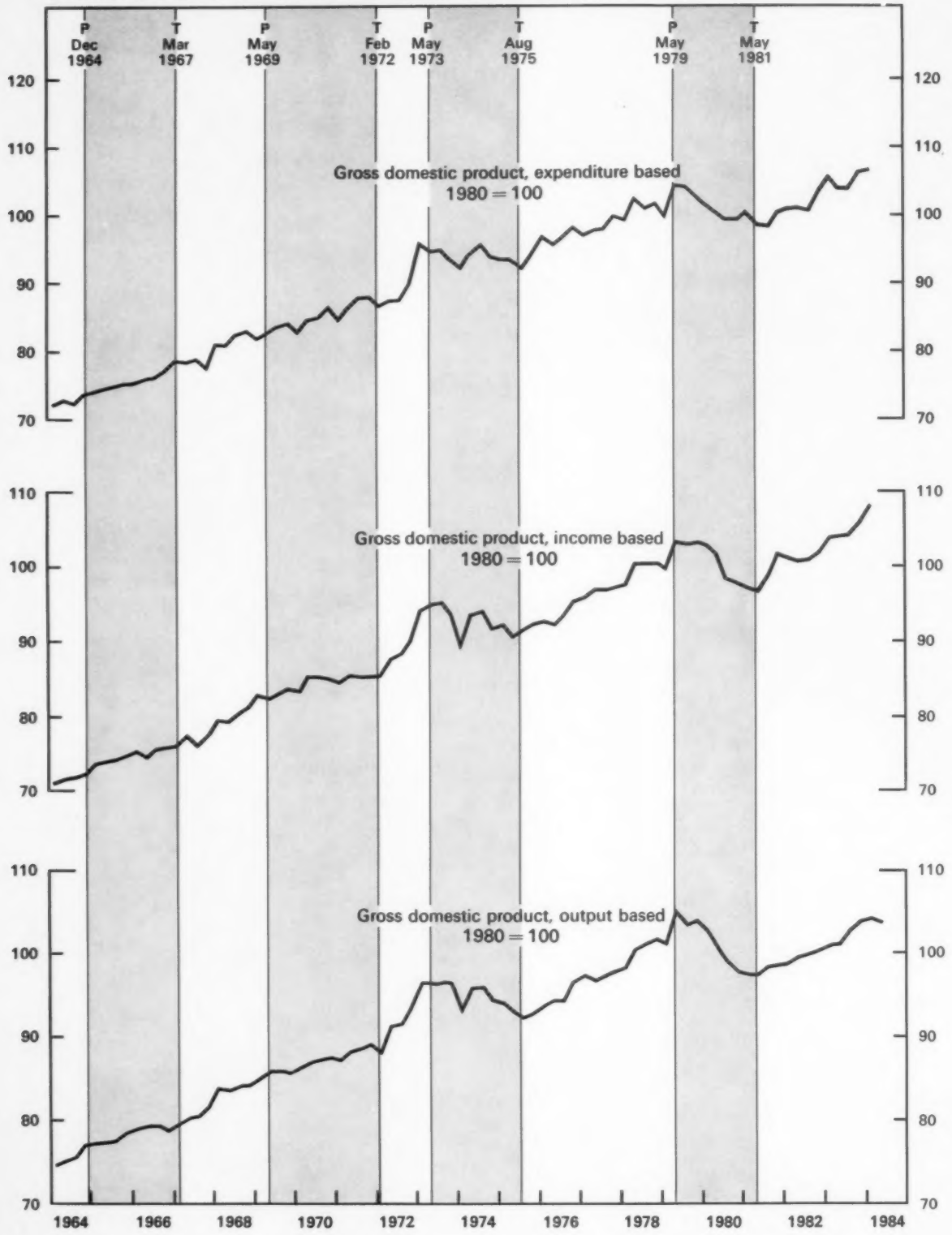
Shorter leading indicators. Smoothed trend-eliminated series


P Dec 1964
T Mar 1967
P May 1969
T Feb 1972
P May 1973
T Aug 1975
P May 1979
T May 1981
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity divided by GDP deflator
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders* (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials* (balance of 'up' percentage over 'down' percentage)
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982
1984

*Seasonally adjusted by CSO

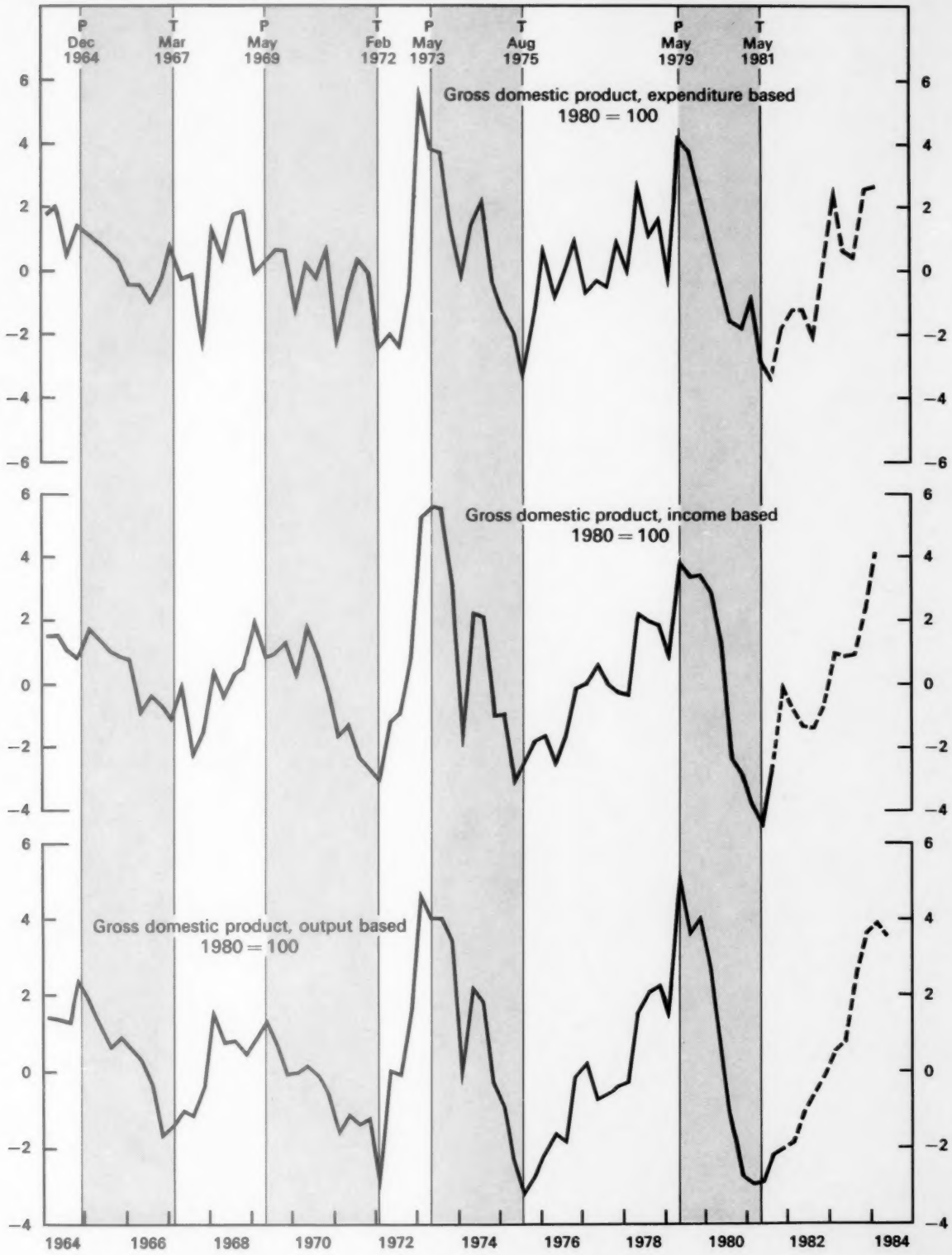
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



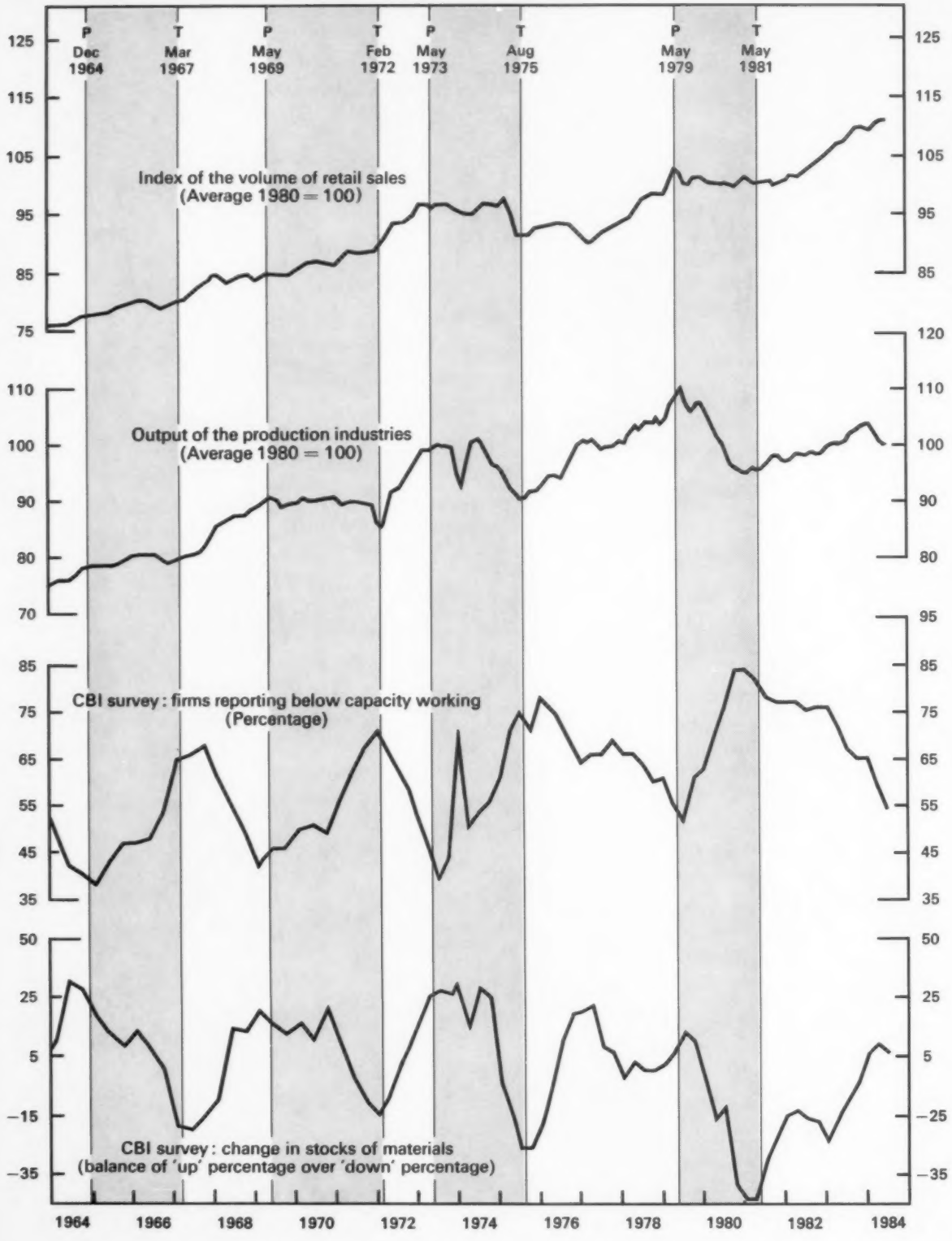
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



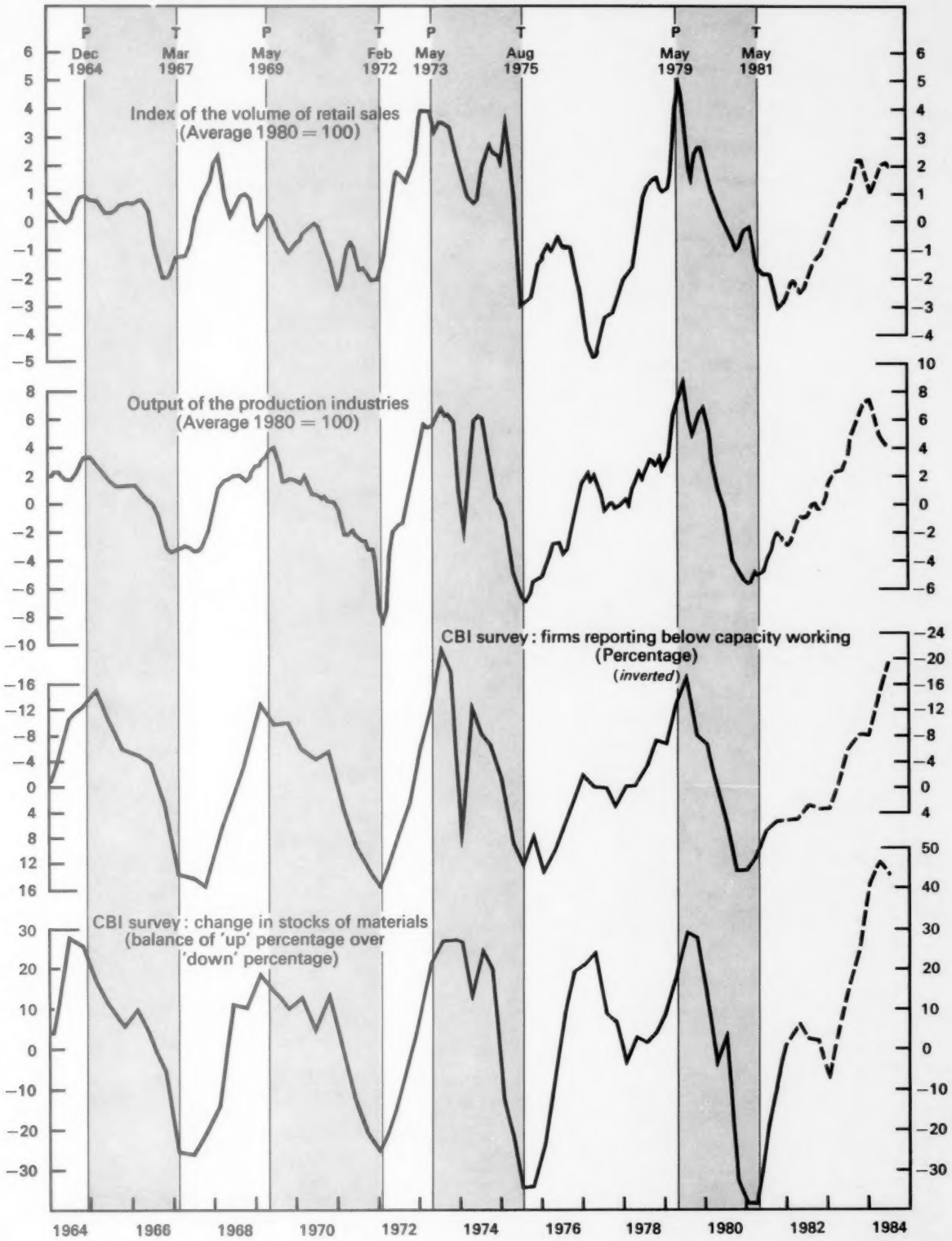
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



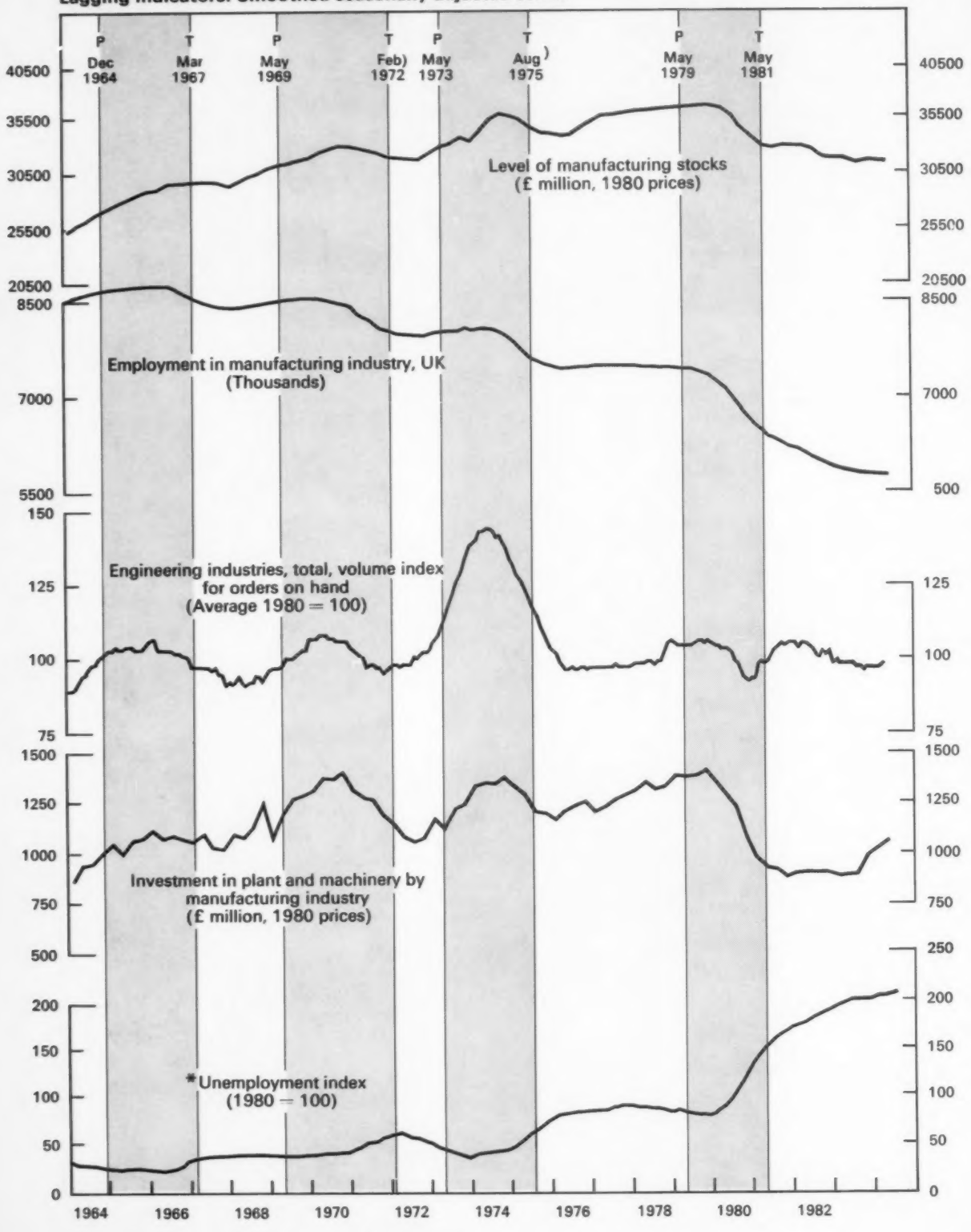
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



Cyclical indicators by timing classification

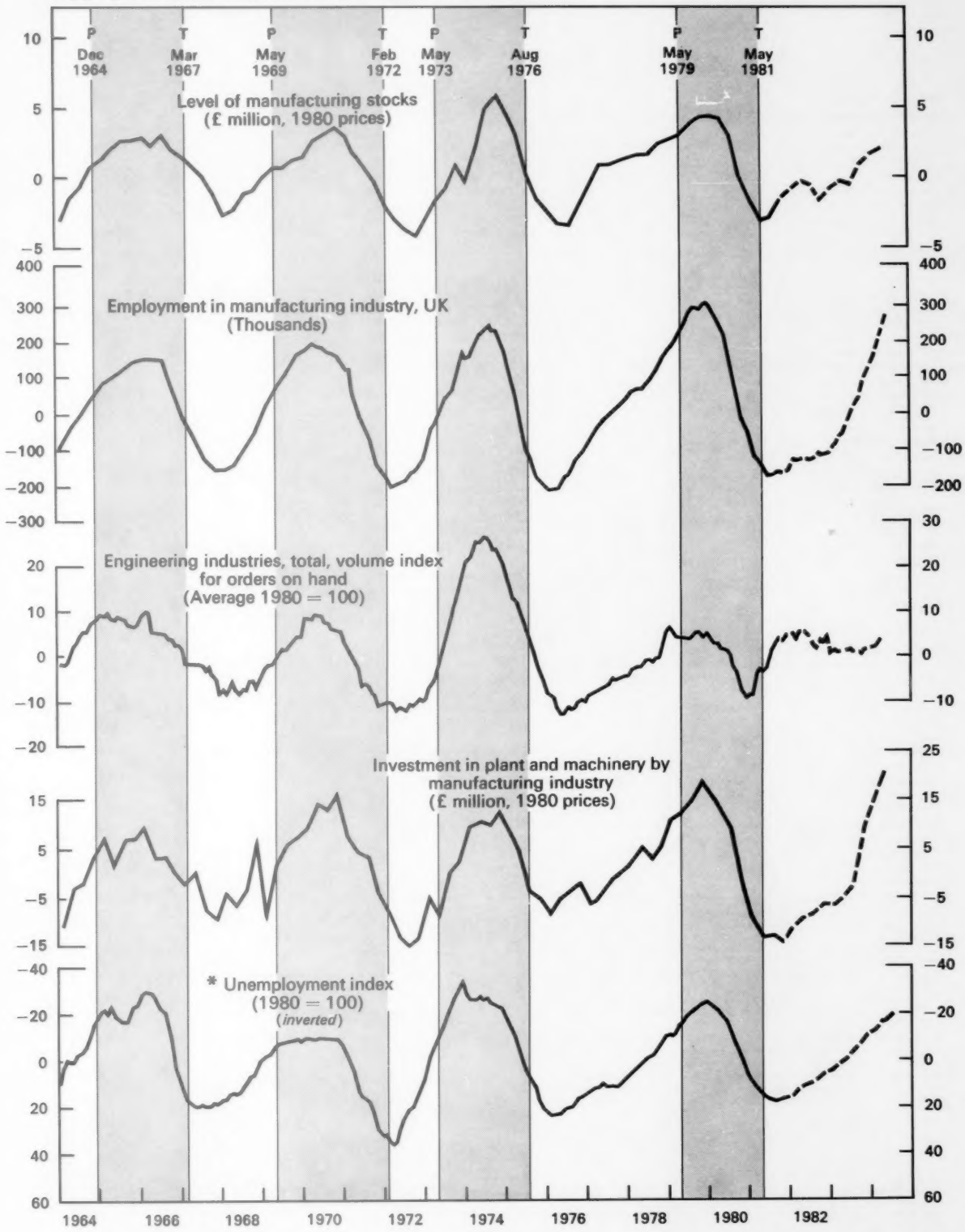
Lagging indicators. Smoothed seasonally adjusted series



*Adjusted for changes in the coverage of the count

Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



*Adjusted for changes in the coverage of the count

Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I/C}$	MCD or QCD	$\overline{I/C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1970 to 2nd quarter 1983	1.5	1.0	0.9	1.1	2	0.4
Income based	6	1st quarter 1970 to 2nd quarter 1983	1.2	0.8	0.9	0.9	1	0.9
Output based	6,28	1st quarter 1970 to 2nd quarter 1983	1.0	0.6	0.7	0.8	1	0.8
Average estimate	6	1st quarter 1970 to 2nd quarter 1983	1.1	0.7	0.8	0.9	1	0.9
Consumers' expenditure	8,10	1st quarter 1970 to 2nd quarter 1983	1.1	0.7	0.9	0.8	1	0.8
Fixed capital formation								
Total	8,16	1st quarter 1970 to 2nd quarter 1983	2.4	1.8	1.2	1.5	2	0.5
Manufacturing industry	18	1st quarter 1970 to 2nd quarter 1983	3.4	2.0	2.6	0.8	1	0.8
Stockbuilding[2]								
Total	8,22	1st quarter 1970 to 2nd quarter 1983	443.5	301.8	267.6	1.1	2	0.5
Manufacturing	22	1st quarter 1970 to 2nd quarter 1983	281.4	188.6	186.5	1.0	2	0.5
Exports: goods and services	8	1st quarter 1970 to 2nd quarter 1983	3.1	2.5	1.7	1.5	2	0.7
Imports: goods and services	8	1st quarter 1970 to 2nd quarter 1983	3.3	2.3	2.1	1.1	2	0.5
Personal disposable income	10	1st quarter 1970 to 2nd quarter 1983	1.7	1.1	1.2	0.9	1	0.9
Other national income series								
Gross trading profits of companies	60	1st quarter 1970 to 2nd quarter 1983	6.2	3.0	4.8	0.6	1	0.6
Other quarterly series								
Construction output[8]	30	1st quarter 1970 to 2nd quarter 1983	2.1	1.4	1.4	1.0	1	1.0
Public sector borrowing requirement[6]	56	1st quarter 1970 to 2nd quarter 1983	675.1	465.1	341.2	1.4	2	0.7
Monthly series								
Retail sales								
Food retailers	12	January 1971 to December 1983	1.0	0.9	0.3	3.2	4	0.8
Mixed retail businesses	12	January 1971 to December 1983	2.1	1.9	0.5	3.7	4	0.9
Clothing and footwear retailers	12	January 1971 to December 1983	2.3	2.2	0.5	4.2	4	1.0
Household goods retailers	12	January 1971 to December 1983	2.0	1.9	0.8	2.4	3	0.9
Other non-food retailers	12	January 1971 to December 1983	1.5	1.4	0.4	3.3	4	0.9
Cars: new registrations	12	January 1975 to December 1983	9.2	9.1	1.0	9.7	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1982	12.7	11.0	2.0	5.5	6	
Completions	20	January 1956 to December 1982	8.5	6.8	1.4	5.0	6	1.0
Housing: private								
Starts	20	January 1956 to December 1982	9.9	8.0	1.9	4.2	6	1.0
Completions	20	January 1956 to December 1982	6.4	5.5	0.5	11.0	6	
Index of industrial production:								
Production industries (Revised definition)	5,26,28	January 1973 to April 1984	1.2	1.1	0.5	2.2	3	1.0
Manufacturing industries (Revised definition)	26,28	January 1973 to April 1984	1.4	1.3	0.5	2.8	4	0.8
Passenger car production:								
Home market	32	January 1976 to December 1983	12.0	11.7	1.9	6.3	6	
Export	32	January 1976 to December 1983	14.7	14.1	2.7	5.2	6	1.0
Commercial vehicle production:								
Home market	32	January 1976 to December 1983	11.1	9.6	3.1	3.1	4	0.9
Export	32	January 1976 to December 1983	10.0	9.3	2.6	3.6	5	0.8
Unemployed males - excluding school-leavers[5]	(5,36)	January 1971 to March 1984	17.7	3.6	17.2	0.2	1	0.2
Unemployed females - excluding school-leavers[5]	(5,36)	January 1971 to March 1984	6.1	1.5	5.9	0.3	1	0.3
Vacancies notified to employment offices[5]	(5,36)	January 1971 to January 1984	6.4	2.4	5.8	0.4	1	0.4
Average earnings: whole economy	40	January 1976 to December 1982	1.0	0.3	1.0	0.3	1	0.3
Exports: value, f.o.b.[7]	48	January 1970 to September 1983	4.8	4.5	1.5	3.0	4	0.8
Imports: value, f.o.b.[7]	48	January 1970 to September 1983	4.9	4.4	1.8	2.5	3	0.8
Money stock (£M3)[3]	5,52	July 1971 to December 1977	1.3	0.6	1.2	0.5	1	0.5

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes[2,3,5] and[6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] Series relate to Great Britain and may be found in Tables 2.2 and 3.1 of *Employment Gazette*. The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

[8] Series relates to Great Britain.

Research and development in the United Kingdom in 1981

J R BOWLES, Department of Trade and Industry

In 1981 expenditure on research and development (R & D) is estimated to have been £5.9 billion, 2.3 per cent of gross domestic product (gdp). In 1978, the last occasion for which it was possible to make this estimate, total spending was £3.5 billion, 2.1 per cent of gdp. If changes in the value of the pound are allowed for, the increase in real terms was about three per cent a year. This compares with no real change in gdp over the same period.

Full details of the inquiries on which these estimates are made are given in the technical annex. There are two R & D inquiries carried out by the Department of Trade and Industry. An annual one is addressed to all government departments to measure their spending on R & D, in science and technology, and the social sciences and humanities. The latest inquiry, completed in March, provides estimates of the spending pattern in the two financial years 1981/82 and 1982/83. The other inquiry was triennial until 1981, but is now biennial, and provides estimates of R & D spending by industry. Revisions which have been made to the results of these inquiries are described below. The industry questionnaire inquires into R & D in science and technology only.

Summary tables

Table A shows expenditure on scientific R & D in the United Kingdom since 1966. Part (a) i measures the R & D performed by the separate sectors ('intramural' R & D), rather than the expenditure of these sectors. In some cases, the two measures can be very different: this is particularly so for government expenditure on R & D, as can be seen in tables 5 and 6.

However, in addition to the details of spending analysed by performer in part (a) i of table A, (a) ii analyses the sources of R & D expenditure. Thus, in 1981 government is shown to have performed R & D worth £1.3 billion, although a further £1.5 billion was spent in other sectors. Industry is the major performing sector, responsible for R & D worth nearly £3.8 billion in 1981.

R & D expenditure increased to £5 921 million in 1981, from £888 million in 1966, an increase of over six-fold. Sources of finance increased their contributions in a similar way, as shown in (a) ii.

Part (b) of table A illustrates the change in the volume of R & D estimated by adjusting all expenditure

Expenditure and employment on research and development in the United Kingdom[1]

TABLE A

	1966	1967	1968	1969	1972	1975	1978	1981
(a) Expenditure at current prices	**£ million, current prices**							
i Analysis by peformer:								
By government	229	238	249	263	337	566	758	1 339
By universities[2] and further education establishments	55	62	72	80	115	179	317	630
By industry	580	605	639	680	831	1 340	2 324	3 792
By other sectors	24	24	26	22	30	66	111	160
Total	888	929	986	1 045	1 313	2 151	3 510	5 921
ii Analysis by funds[3]								
By government	436	453	479	529	640	1 117	1 651	2 826
By industry	393	409	443	449	571	877	1 552	2 529
By other sectors[4]	59	67	64	67	102	157	307	566
Total	888	929	986	1 045	1 313	2 151	3 510	5 921
(b) Expenditure at constant prices[5]	**£ million, 1975 prices**							
Government performed	593	598	588	584	575	566	511	596
Industry performed	1 504	1 514	1 506	1 513	1 418	1 340	1 566	1 661
Total[6]	2 301	2 328	2 325	2 323	2 242	2 151	2 365	2 603
	Percentages							
(c) Total expenditure as a proportion of gdp at market prices	*2.34*	*2.32*	*2.28*	*2.25*	*2.07*	*2.06*	*2.14*	*2.34*
(d) Employment on R & D (end-year)	**Thousands**							
Central government	..	..	..	..	75.6	77.4	71.3	63.2
Industry	..	219.0	216.2	212.0	183.4	180.6	190.1	195.2

[1] Excluding research in the social sciences and humanities; excluding work performed abroad. Figures relate to calendar years or corresponding financial years.
[2] Only very tentative estimates are available for this sector. Change in coverage between 1978 and 1981 tends to overemphasise the apparent increase between these two years.
[3] As returned by performing sectors.
[4] Including overseas sector.
[5] Current price data revalued by the UK price index of industrial R & D, except for that performed by government in 1972 and subsequently. In those cases the SOEC price index has been used. (See text).
[6] Including R & D performed by other sectors.

Research and development financed by central government[1]

TABLE B

	Financial years beginning April											
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983[2]
(a) Expenditure at current prices	**£ million, current prices**											
Gross expenditure												
Intramural	340	368	454	574	639	700	765	924	1 107	1 348	1 476	1 470
Extramural	594	640	761	958	1 099	1 234	1 458	1 856	2 310	2 506	2 460	2 835
Total	935	1 009	1 214	1 532	1 738	1 934	2 222	2 780	3 417	3 854	3 936	4 304
Net expenditure												
Defence	354	406	499	664	755	871	1 028	1 306	1 628	1 745	1 765	1 973
Research Councils	124	122	140	168	196	207	239	279	341	421	451	482
Other civil	369	436	530	663	696	736	831	1 016	1 215	1 398	1 474	1 545
Total	847	964	1 169	1 495	1 647	1 814	2 097	2 601	3 184	3 564	3 690	4 000
(b) Expenditure at constant prices	**£ million, 1975 prices**											
Intramural	572	557	577	574	554	538	528	554	557	600	600	565
Total net expenditure	1 424	1 457	1 487	1 495	1 427	1 396	1 448	1 560	1 602	1 586	1 499	1 537
(c) Net expenditure as a proportion of gdp at market prices	**Percentages**											
Defence	*0.56*	*0.55*	*0.60*	*0.63*	*0.60*	*0.60*	*0.62*	*0.67*	*0.72*	*0.69*	*0.64*	*0.66*
Civil	*0.76*	*0.74*	*0.79*	*0.77*	*0.70*	*0.63*	*0.62*	*0.65*	*0.67*	*0.72*	*0.70*	*0.68*
Total net expenditure	*1.32*	*1.29*	*1.38*	*1.40*	*1.30*	*1.23*	*1.24*	*1.32*	*1.38*	*1.42*	*1.34*	*1.34*
(d) Numbers employed on R & D, performed by central government at end of the calendar year	**Thousands**											
Total	76.3	75.5	77.4	78.3	76.0	74.2	72.3	70.8	68.4	64.1	63.1	60.9

[1] As returned by government, including work performed overseas.
[2] Provisional.
Source: Department of Trade and Industry.

to 1975 prices. This is achieved by using two sets of R & D price indices. The Department of Trade and Industry prepares an index of R & D costs in industry, and an article describing its construction has been published[1]. This price index has been used to deflate all series, except for government estimates from 1972. For those, use has been made of a price index constructed by the Statistical Office of the European Communities (SOEC) for government expenditure on R & D by each of the constituent members of the European Communities[2].

The deflated series shows that 1975 was the lowest point, and expenditure on R & D performed rose from £2 151 million to £2 603 million in 1981. For government-performed R & D, 1978 was the lowest point. The effect is more clearly shown in table B where government expenditure on intramural R & D at 1975 prices is given for each year. That series is slightly wider in coverage, as it includes R & D in social science and humanities.

Part (c) of table A relates gross expenditure on R & D to the level of gdp. While the data should be treated cautiously, as the statistics are imprecise, it appears that R & D is broadly about the same proportion of gdp as in the 1960s.

Employment on R & D is defined in terms of full-time equivalent man-years. Whether certain support staff such as those engaged in the administrative task associated with letting government contracts for R & D activities should be included, is a difficulty. Some work on this is described later in this article. Employment in industry reached a low point in 1975, the lowest level in constant price expenditure. The recovery from there has not resulted in an increase in employment to the levels of the 1960s, suggesting that labour has become more productive. On the other hand, there has been a continuing reduction in the numbers of government-employed R & D workers.

Table B is concerned with R & D expenditure financed by central government only. It includes data of R & D in the scientific and technological fields and in the social science and humanities. In general, the statistics quoted are analogous to those presented in table A, but are available annually. The data includes further small revisions, compared with earlier estimates, in the payments to the higher education sector through the University Grants Committee (UGC). Expenditure totals are, consequently, higher throughout for years before 1981. A noticeable feature is the high proportion of defence R & D relative to gdp in recent years compared with the early 1970s. The same comparison shows a decline in civil R & D.

Gross R & D expenditure in other countries in 1981 compared with the United Kingdom

TABLE C

	£ billion	Gross R & D as a percentage of gdp
United Kingdom	6.0	*2.4*
France	5.7	*2.0*
Germany	8.2	*2.5*
Italy	2.4	*1.0*
Japan	14.4	*2.4*
United States	39.1	*2.5*

Source: OECD, using OECD rates of exchange, estimates of gdp and estimates for small sums of R & D expenditure not included in the remaining tables in this article.

Table C, using data prepared by the Organisation for Economic Cooperation and Development (OECD), compares the R & D effort in the United Kingdom and other major R & D performing countries. For 1981 the figures shown include for all countries, government expenditure, both civil and defence, and also industrially-financed spending. Defence spending is particularly important in the USA and United Kingdom.

Gross expenditure on R & D in 1981

Tables 1, 2 and 3 provide analyses of the estimated total expenditure on R & D in 1981. The estimates are built up from three main sources of information; returns to the annual government survey, analyses of university spending from the UGC, and returns from industry. Between them, these sources account for more than 97 per cent of the total estimated spending of £5 921 million. The residue can be partly estimated from payments made by government to the private non-profit sector, leaving a small amount, less than two per cent, assumed to have grown from a baseline established in the early seventies and changing at a rate proportional to rising R & D costs.

Table 1 is a matrix of the sums estimated for the performers and the funders of scientific and technological R & D. It is not always possible to reconcile the components of the expenditure by a particular sector with the stated payments by the funders of the R & D. There are many reasons for these discrepancies and an early article in *Statistical News*[3] has discussed the background. Where there are differences between the information from the sector carrying out the work and the sector providing the finance, the former has been used. The figures in the total column of table 1 do not, therefore, record the total of R & D financed by sectors as reported by the funding sector. In tables 5 to 9 and 11 to 13, the total amounts for expenditure shown relate to the amounts recorded as being spent on R & D by central government and the industrial sectors, in their role as funders.

Table 2 compares, in detail, the performance and the funding of R & D for 1978 and 1981. Intramural work by central government on the defence programme was 9.4 per cent of the total performed in 1978 and 1981. The proportion in civil work outside that performed by the Research Councils increased but it cannot easily be attributed to any single field of interest. The lower part of table 2 is concerned with the funding of R & D. Again, the defence programme has not changed much proportionately. Private industry was responsible for providing 35 per cent of the funds in 1981, but it performed 58 per cent of the research activities. Tables 3 and 4 provide analyses of gross spending in 1981, showing the distribution of the type of spending and, for current expenditure, the type of research.

Central government research and development

Tables 5 to 10 contain information arising from the latest annual survey of government R & D expenditure and employment. The headings relate to the 'programmes above' of the annual public expenditure White Paper[4]. These may cover the expenditure of several government departments.

This latest survey is now more up-to-date. The survey conducted last year, and forming the basis of the article in *Economic Trends* in September 1983, produced results for the outturn year 1980/81. A once-and-for-all improvement for this survey has allowed the reporting of outturn data for financial years 1981/82 and 1982/83. In addition, it was decided to define more precisely the costs which should be included according to the 'Frascati Manual'[5] (see the technical annex). It is believed that the implied costs of the civil service non-contributory superannuation scheme, together with the employer's contribution to national insurance, were not always accounted for in a systematic manner. Some of the respondents were unable to identify these items easily, particularly in small units. Where no data were readily available for this survey an estimate was made using the staff complement and internally available costings. Table D is a summary which shows that a little over two per cent was added to the net expenditure, overall. The effect was more noticeable in some programmes, however, and it will now be possible to ensure that full coverage will be achieved in future surveys.

Net[1] central government expenditure on research and development. Comparison of 1981/82 data collected on the old and the new basis

TABLE D

	Financial year 1981/82 (old basis)	Financial year 1981/82 (new basis)	Percentage increase (new on old)
	£ million	£ million	per cent
R & D in science and technology			
Defence	1 686.4	1 743.3	*3.4*
Civil			
Overseas services	15.3	15.3	*0.1*
Agriculture, fisheries and forestry	111.6	111.8	*0.1*
Industry, trade and employment:			
Aerospace	173.2	173.7	*0.3*
Energy	238.5	238.7	*0.1*
Other industry, trade and employment	112.5	117.4	*4.3*
Environmental services	61.7	64.8	*5.0*
Law, order and protective services	7.9	8.2	*3.4*
Education and Science:			
Agricultural and Food Research Council	41.4	41.4	–
Medical Research Council	100.6	100.6	–
Natural Environment Research Council	52.1	52.1	–
Science and Engineering Research Council	212.1	212.1	–
Other science, education, etc[2]	12.3	14.0	*14.0*
Universities in the UK	400.0	400.0	–
Health and social security	18.6	18.6	–
Other public and common services	9.9	9.9	–
Scotland	39.3	39.4	*0.2*
Wales	0.5	0.5	–
Northern Ireland	8.6	9.2	*6.5*
Total Civil	1 616.1	1 627.5	*0.7*
Total R & D in science and technology	3 302.4	3 370.7	*2.1*

[1] Net expenditure is defined in the technical annex.
[2] Includes the Arts and Libraries programme.

Source: Department of Trade and Industry.

Research and development performed in each sector according to source of finance[1]—1981

TABLE 1

£ million

	Sector carrying out the work							
	Government	Universities and further education establishments	Public corporations	Research associations	Private industry	Other	Total performed in the United Kingdom	Research carried out abroad
Sector providing the funds								
Government	1 098.6	503.5	13.2	21.6	1 102.4	86.6	2 825.9	179.3
Universities[2]	–	58.0	–	–	–	–	58.0	..
Public corporations	6.9	5.0	356.8	13.6	66.9	–	449.2	..
Research associations	–	–	–	17.7	–	–	17.7	..
Private industry	129.6	15.0	2.3	25.3	1 841.4	48.8	2 062.3	..
Overseas	63.2	13.0	12.6	9.9	308.8	3.9	411.4	..
Other	41.2	35.1	–	–	–	20.3	96.6	..
Total cost of research and development performed	1 339.4	629.6	384.8	88.1	3 319.5	159.6	5 921.1	..

[1] Research in the social sciences is excluded.
[2] Including also further education establishments.

Source: Department of Trade and Industry.

Changes in the distribution of R & D[1] peformed or financed (1978 and 1981 compared)

TABLE 2

	1978		1981	
	£ million	per cent	£ million	per cent
Work performed by government				
Defence	331.0	*9.4*	557.7	*9.4*
Civil				
Research Councils	152.3	*4.3*	250.2	*4.2*
Other civil research	271.8	*7.7*	526.5	*8.9*
Local government	3.0	*0.1*	5.0	*0.1*
Total government	758.1	*21.6*	1 339.4	*22.6*
Universities and further education establishments[2]	317.3	*9.0*	629.6	*10.6*
Public corporations	212.5	*6.1*	384.8	*6.5*
Research associations	50.8	*1.4*	88.1	*1.5*
Private industry	2 061.0	*58.7*	3 319.5	*56.1*
Other	110.6	*3.2*	159.6	*2.7*
Total non-government	2 752.2	*78.4*	4 581.7	*77.4*
Total all sectors	3 510.3	*100.0*	5 921.1	*100.0*
Finance provided by				
Government				
Defence	949.8	*25.4*	1 666.7	*24.8*
Civil				
Research Councils	186.2	*4.9*	363.5	*5.4*
Other civil research	610.9	*16.4*	1 161.3	*17.3*
Local government	10.0	*0.3*	20.0	*0.3*
Total as returned by government	1 756.9	*47.0*	3 211.5	*47.7*
Total as returned by the sector carrying out the work				
Government	1 651.4	*47.0*	2 825.9	*47.7*
Universities and further education establishments	28.4	*0.8*	58.0	*1.0*
Public corporations	259.7	*7.4*	449.2	*7.6*
Private industry[3]	1 292.4	*36.8*	2 080.1	*35.1*
Overseas	222.6	*6.3*	411.4	*6.9*
Other	55.8	*1.6*	96.6	*1.6*
Total non-government	1 858.9	*53.0*	3 095.3	*52.3*
Total all sectors	3 510.3	*100.0*	5 921.1	*100.0*

[1] Research in the social sciences is excluded.
[2] Change in coverage between 1978 and 1981 tends to over emphasise the apparent increase.
[3] Private industry includes the research associations here.

Source: Department of Trade and Industry.

Current and capital expenditure on research and development[1]—1981

TABLE 3

£ million

	Current				Capital			
	Salaries and wages	Materials and equipment	Other expenditure	Total	Land and buildings	Plant and equipment	Total	Total current and capital
Sector carrying out the work								
Government:								
Defence	343.0	144.7	17.6	505.3	15.1	37.3	52.4	557.7
Civil								
Research Councils	123.5	50.0	32.6	206.1	15.6	28.5	44.0	250.2
Other central government	255.2	93.6	136.5	485.3	11.9	29.3	41.2	526.5
Local authorities[2]	2.9	1.5	0.3	4.7	0.1	0.2	0.3	5.0
Total government	724.5	289.9	187.1	1 201.5	42.7	95.2	137.9	1 339.4
Universities and further education establishments	339.5	32.9	220.2	592.6	2.1	35.0	37.0	629.6
Public corporations	179.4	121.5	67.0	367.9	3.7	13.3	16.9	384.8
Research associations	47.3	10.5	22.7	80.4	2.8	4.9	7.7	88.1
Private industry	1 476.1	764.5	780.4	3 020.9	93.5	205.1	298.6	3 319.5
Non-profit-making organisations	34.9	5.6	6.1	46.6	2.9	2.0	4.9	51.5
Total (excluding other organisations)	2 801.6	1 224.8	1 283.4	5 309.9	147.6	355.5	503.1	5 813.0
Other organisations	..	..	..	..	..	..	..	108.1
Total	..	..	..	..	..	..	..	5 921.1

[1] Research in the social sciences is excluded.
[2] Estimated.

Source: Department of Trade and Industry.

Current expenditure on research and development by type of work[1]—1981

TABLE 4

£ million

	Basic research	Applied research	Development	Unallocated	Total
Sector carrying out the work					
Government:					
Defence	–	176.1	329.3	–	505.3
Civil					
Research Councils	163.9	42.3	–	–	206.1
Other central government	32.6	188.0	250.2	14.5	485.3
Local authorities[2]	–	2.2	2.5	–	4.7
Total civil	196.5	232.5	252.7	14.5	696.1
Total government	196.5	408.6	581.9	14.5	1,201.5
Non-government:					
Universities and further education establishments	–	–	–	592.6	592.6
Public corporations	5.6	130.4	231.9	–	367.9
Research associations	6.0	48.2	26.2	–	80.4
Private industry	77.0	514.3	2,429.6	–	3,020.9
Non-profit-making organisations	12.0	27.2	7.4	–	46.6
Total non-government[3]	100.7	720.2	2 695.1	592.6	4 108.4
Total[3]	297.1	1 128.7	3 277.0	607.1	5 309.9

[1] Research in the social sciences is excluded.
[2] Estimated.
[3] Excluding other organisations.

Source: Department of Trade and Industry.

Tables 5 and 6 show analyses of the gross spending by public expenditure programme. Adjustment is made for inter-departmental transfers and the results are details of the expenditure by the final performers or, for extramural payments, the type of organisation which carried out the research. Overall, intramurally-performed R & D was about 35 per cent of all spending.

The tables also show that R & D in the field of the social sciences and humanities amounted to only five per cent of the total expenditure in both 1981/82 and 1982/83. Most of this spending is within the university sphere. In 1981/82, out of a total expenditure of £192.6 million on R & D in the social sciences and humanities, £140 million was estimated to have arisen from general

income of the universities, most of which is the grant-in-aid of the University Grants Committee.

Expenditure on R & D in support of the defence programme is a little under half the total in each year. However, about 60 per cent of these very large sums of money are spent in private industry. In fact, defence contracts form the background for about 80 per cent of government R & D expenditure in this sector.

Social science cannot easily be classified into basic or applied research or development and table 7, therefore, relates only to R & D in the field of science and technology. This table analyses the intramural element of central government expenditure only. The largest single item of expenditure on intramural work after defence was devoted to the energy programme, of which about £215 million was on development in both 1981/82 and 1982/83. Work on basic research was, as

Gross central government expenditure on research and development in the financial year 1981/82 final outturn

TABLE 5 — £ million

	Intramural expenditure					Extramural expenditure					
	Current										
	Salaries and Wages[1]	Other	Total	Capital	Total intra-mural	Universities and further education establishments	Private industry and public corporations	Other	Overseas	Total extra-mural	Total intra and extra-mural
R & D in Science and technology											
Defence	343.0	162.3	505.3	52.4	557.7	7.3	1 189.8	1.3	76.5	1 275.0	1 832.8
Civil:											
Overseas services	3.0	1.2	4.2	0.2	4.4	2.8	0.0[2]	0.4	4.5	7.7	12.2
Agriculture, fisheries and forestry	30.5	27.5	58.0	4.3	62.3	0.5	3.5	1.9	0.0	5.9	68.2
Industry, trade and employment:											
Aerospace	0.3	0.2	0.5	–	0.5	0.6	146.6	0.0	53.2	200.4	200.9
Energy	149.2	143.3	292.6	24.9	317.4	9.1	43.0	0.4	2.1	54.7	372.1
Other industry, trade and employment	26.6	25.6	52.2	6.6	58.8	1.9	59.6	1.2	0.1	62.8	121.6
Environmental services	20.3	11.2	31.5	1.9	33.4	3.0	18.8	2.5	0.0	24.2	57.7
Law, order and protective services	2.7	3.1	5.8	0.5	6.2	0.2	1.5	0.1	–	1.8	8.1
Education and science:											
Agricultural and Food Research Council	20.3	10.1	30.4	4.4	34.8	3.7	–	51.1	–	54.9	89.7
Medical Research Council	41.7	17.3	59.0	7.8	66.8	25.8	–	11.5	1.5	38.9	105.6
Natural Environment Research Council	30.9	25.3	56.2	10.4	66.6	6.4	1.5	9.1	–	17.0	83.6
Science and Engineering Research Council	30.6	29.9	60.5	21.5	82.1	67.7	0.1	27.1	41.2	136.1	218.1
Other science, education etc[3]	7.2	1.5	8.7	–	8.7	0.9	0.0	4.6	–	5.5	14.2
Universities in the UK	–	–	–	–	–	400.0	–	–	–	400.0	400.0
Health and social security	5.6	3.0	8.5	1.9	10.4	5.2	1.7	0.8	–	7.6	18.0
Other public and common services	1.2	8.1	9.3	0.4	9.7	0.0	0.0	–	–	0.0	9.8
Scotland	5.0	3.5	8.5	0.0	8.5	0.0	0.0	30.7	–	30.8	39.3
Wales	–	–	–	–	–	0.1	0.1	0.3	–	0.5	0.5
Northern Ireland	3.6	1.9	5.5	0.6	6.0	0.0	2.3	1.4	–	3.7	9.8
Total civil	378.6	312.8	691.4	85.2	776.7	527.8	278.7	143.2	102.7	1 052.4	1 829.1
Total R & D in science and technology	721.6	475.1	1 196.8	137.6	1 334.4	535.1	1 468.6	144.5	179.3	2 327.5	3 661.9
Social science R & D[4]											
Defence	1.3	–	1.3	–	1.3	–	–	–	–	–	1.3
Civil:											
Overseas services	0.0	0.0	0.1	–	0.1	0.8	–	0.1	0.3	1.1	1.2
Agriculture, fisheries and forestry	–	–	–	–	–	0.1	–	–	–	0.1	0.1
Industry, trade and employment	0.9	0.2	1.1	–	1.1	2.1	0.2	1.5	–	3.8	4.8
Environmental services	0.5	0.3	0.8	0.0	0.8	0.5	0.8	0.1	–	1.3	2.1
Law, order and protective services	1.1	0.6	1.7	–	1.7	0.4	0.0	0.8	0.0	1.3	3.0
Education and science:											
Economic and Social Research Council	2.0	0.9	2.9	–	2.9	8.4	–	4.0	–	12.4	15.3
Other science, education etc[1]	0.1	0.0	0.1	0.0	0.1	2.5	0.1	5.8	0.1	8.5	8.6
Universities in the UK	–	–	–	–	–	140.0	–	–	–	140.0	140.0
Health and social security	0.6	0.1	0.7	–	0.7	4.3	–	4.3	–	8.6	9.3
Other public and common services	2.2	1.2	3.4	–	3.4	0.2	0.1	–	0.0	0.3	3.8
Scotland	0.9	0.0	0.9	–	0.9	0.3	0.1	0.0	–	0.4	1.3
Wales	0.3	0.1	0.4	–	0.4	0.2	0.2	0.4	–	0.7	1.1
Northern Ireland	0.4	0.2	0.5	–	0.5	0.0	–	–	–	0.0	0.5
Total civil	9.0	3.6	12.6	0.0	12.6	159.9	1.5	16.9	0.4	178.6	191.2
Total social science R & D	10.3	3.6	14.0	0.0	14.0	159.9	1.5	16.9	0.4	178.6	192.6
Total expenditure on R & D	732.0	478.8	1 210.7	137.7	1 348.4	695.0	1 470.1	161.4	179.6	2 506.1	3 854.5

[1] Total salary cost, including employer's national insurance contributions and superannuation payments.
[2] This notation is used throughout these tables to show numbers which, whilst not actually being zero, are too small to register with the decimal places used.
[3] Including the Arts and Libraries programme.
[4] The figures for social science R & D are less reliable than those for R & D in general because of the difficulties of distinguishing between social science and other research and between social science research and other related activities such as information services and general purpose data collection.

Source: Department of Trade and Industry.

Gross central government expenditure on research and development in the financial year 1982/83 final outturn

TABLE 6

£ million

	Intramural expenditure					Extramural expenditure					
	Current										
	Salaries and Wages[1]	Other	Total	Capital	Total intra-mural	Universities and further education establishments	Private industry and public corporations	Other	Overseas	Total extra-mural	Total intra and extra-mural
R & D in Science and technology											
Defence	364.4	189.7	554.1	88.7	642.8	8.1	1 037.0	1.4	105.8	1 152.3	1 795.0
Civil:											
Overseas services	3.0	1.1	4.1	0.2	4.2	2.7	0.0	1.5	5.5	9.8	14.0
Agriculture, fisheries and forestry	30.4	29.7	60.2	4.5	64.6	1.3	4.4	2.0	0.0	7.6	72.3
Industry, trade and employment:											
Aerospace	0.4	0.2	0.6	–	0.6	0.6	118.5	–	54.6	173.7	174.3
Energy	158.8	143.5	302.3	32.7	335.0	6.8	40.5	0.7	0.3	48.4	383.3
Other industry, trade and employment	26.6	26.4	53.0	7.2	60.2	2.1	82.3	3.9	0.3	88.7	148.9
Environmental services	20.0	9.8	29.9	2.0	31.9	3.1	18.9	2.6	0.0	24.7	56.6
Law, order and protective services	2.8	3.9	6.7	0.4	7.1	0.3	1.7	0.1	–	2.1	9.1
Education and Science:											
Agricultural And Food Research Council	23.5	10.9	34.5	5.4	39.9	4.4	–	52.2	–	56.6	96.5
Medical Research Council	43.3	18.9	62.2	8.5	70.7	26.2	–	13.2	1.8	41.2	111.9
Natural Environment Research Council	31.8	26.0	57.8	9.2	66.9	6.0	2.1	9.4	–	17.6	84.5
Science and Engineering Research Council	32.9	33.5	66.4	23.9	90.3	74.7	0.1	28.7	43.7	147.2	237.5
Other science, education etc[3]	7.7	1.5	9.2	–	9.2	1.0	0.0	4.8	–	5.8	15.1
Universities in the UK	–	–	–	–	–	440.0	–	–	–	440.0	440.0
Health and social security	5.9	2.9	8.8	3.3	12.1	5.2	1.9	0.6	–	7.7	19.8
Other public and common services	1.5	9.6	11.1	0.4	11.5	0.0	0.1	–	–	0.1	11.6
Scotland	5.1	4.1	9.2	0.0	9.2	0.0	0.0	32.0	–	32.1	41.2
Wales	0.0	0.0	0.1	–	0.1	0.1	0.2	0.3	–	0.6	0.7
Northern Ireland	3.5	1.7	5.3	0.5	5.8	0.0	2.1	1.5	–	3.6	9.4
Total civil	397.3	323.9	721.1	98.2	819.3	574.7	272.8	153.7	106.3	1 107.4	1 926.8
Total R & D in science and technology	761.7	513.5	1 275.2	186.8	1 462.1	582.8	1 309.8	155.0	212.1	2 259.7	3 721.8
Social science R & D[4]											
Defence	1.7	0.1	1.8	–	1.8	–	–	–	–	–	1.8
Civil:											
Overseas services	0.0	0.0	0.1	–	0.1	0.8	–	0.1	0.2	1.1	1.2
Agriculture, fisheries and forestry	–	–	–	–	–	0.2	–	–	–	0.2	0.2
Industry, trade and employment	0.9	0.2	1.1	–	1.1	2.4	0.3	1.6	–	4.4	5.5
Environmental services	0.5	0.3	0.8	0.0	0.8	0.6	0.7	0.2	–	1.5	2.3
Law, order and protective services	1.1	0.5	1.6	–	1.6	0.4	0.1	0.8	0.0	1.4	3.0
Education and science:											
Economic and Social Research Council	2.1	1.0	3.1	–	3.1	8.7	–	4.2	–	12.9	15.9
Other science, education etc[3]	0.1	0.1	0.2	0.0	0.2	2.2	0.1	6.9	0.1	9.2	9.3
Universities in the UK	–	–	–	–	–	160.0	–	–	–	160.0	160.0
Health and social security	0.4	0.1	0.6	–	0.6	3.9	–	4.3	–	8.2	8.8
Other public and common services	2.2	1.3	3.4	–	3.4	0.2	0.1	–	0.0	0.3	3.8
Scotland	0.8	0.0	0.8	–	0.8	0.4	0.1	0.0	–	0.5	1.3
Wales	0.2	0.0	0.2	–	0.2	0.2	0.2	0.3	–	0.6	0.9
Northern Ireland	0.5	0.2	0.6	–	0.6	0.0	–	–	–	0.0	0.7
Total civil	8.8	3.7	12.5	0.0	12.5	180.0	1.5	18.4	0.3	200.2	212.7
Total social science R & D	10.5	3.8	14.2	0.0	14.3	180.0	1.5	18.4	0.3	200.2	214.5
Total expenditure on R & D	772.1	517.3	1 289.5	186.9	1 476.3	762.8	1 311.3	173.4	212.4	2 459.9	3 936.3

See footnotes to table 5.

Source: Department of Trade and Industry.

expected, an important feature of activities by the Research Councils.

Net expenditure, as defined in the technical annex, is shown in table 8. Expenditure for the programmes is given for the four financial years from 1980/81 to 1983/84. R & D in the field of science and technology was, as would be expected, dominated by spending on defence. Industry, Trade and Employment, and Education and Science are the important civil research programmes.

The Statistical Office of the European Communities has, for a number of years, compared the R & D performance of the governments of member states. This analysis concentrates on the 'objective' towards which the spending was directed. The United Kingdom supplies the SOEC with an annual statement of the estimated expenditure from recent surveys (this year in respect of 1983/84 and 1984/85). These are published annually by the SOEC[2], although revised outturn data are not subsequently published. Previous articles in this series have produced analyses of net spending by these

Gross central government expenditure on intramural research and development[1]

TABLE 7 — £ million

Current (i.e. non-capital) expenditure	1980/81					1981/82					1982/83				
	Basic research	Applied research	Devel-opment	Un-allocated	Total	Basic research	Applied research	Devel-opment	Un-allocated	Total	Basic research	Applied research	Devel-opment	Un-allocated	Total
Defence	–[2]	87.6[2]	300.7	12.5	400.8	–	176.1	329.3	–	505.3	–	209.2	344.9	–	554.1
Civil:															
Overseas services	0.1	2.2	0.8	0.0	3.1	–	4.1	0.1	–	4.2	–	3.9	0.1	–	4.1
Agriculture, fisheries and forestry	2.5	36.6	14.3	–	53.4	2.8	39.4	15.7	0.2	58.0	2.8	40.6	16.6	0.2	60.2
Industry, trade and employment:															
Aerospace	–	–	–	–	–	–	–	–	0.5	0.5	–	–	–	0.6	0.6
Energy	14.0	44.4	170.7	–	229.2	17.5	59.3	215.8	–	292.6	20.3	67.2	214.8	–	302.3
Other industry, trade and employment	1.2	21.5	8.9	3.0	34.6	1.4	38.1	9.7	2.9	52.2	1.5	39.2	8.8	3.5	53.0
Environmental services	0.8	21.1	4.8	0.2	26.9	0.7	25.1	4.2	1.5	31.5	0.8	23.7	3.9	1.5	29.9
Law, order and protective services	–	1.4	1.0	–	2.4	0.6	1.7	3.4	–	5.8	0.6	2.0	4.1	–	6.7
Education and Science:															
Agricultural and Food Research Council	15.9	10.8	0.2	–	26.9	27.2	3.2	–	–	30.4	30.8	3.7	–	–	34.5
Medical Research Council	26.0	25.0	–	–	51.0	30.1	28.9	–	–	59.0	31.7	30.5	–	–	62.2
Natural Environment Research Council	39.9	8.8	–	–	48.7	46.1	10.1	–	–	56.2	47.4	10.4	–	–	57.8
Science and Engineering Research Council	55.2	–	–	–	55.2	60.5	–	–	–	60.5	66.4	–	–	–	66.4
Other science, education etc[3]	6.1	–	–	–	6.1	8.1	–	–	0.6	8.7	8.7	–	–	0.5	9.2
Health and social security	0.0	7.4	0.3	–	7.7	–	8.3	0.3	–	8.5	–	8.5	0.3	–	8.8
Other public and common services	–	–	0.2	7.6	7.9	–	–	0.5	8.8	9.3	–	–	0.7	10.4	11.1
Scotland	0.4	2.6	0.1	–	3.1	1.5	6.5	0.5	–	8.5	1.7	7.0	0.5	–	9.2
Wales	–	0.0	0.0	0.0	0.0	–	–	–	–	–	–	0.1	–	–	0.1
Northern Ireland	5.4	–	5.4	0.0	10.8	–	5.5	–	–	5.5	–	5.3	–	–	5.3
Total civil	167.6	181.8	206.7	10.9	567.0	196.5	230.3	250.2	14.5	691.4	212.7	241.9	249.9	16.6	721.1
Total	167.6[2]	269.3[2]	507.5	23.4	967.9	196.5	406.4	579.4	14.5	1 196.8	212.7	451.1	594.8	16.6	1 275.2

[1] Excluding R & D in the social sciences and humanities.
[2] Revised.
[3] Includes the Arts and Libraries programme.

Source: Department of Trade and Industry.

objectives which can be traced back to 1970. However, as part of a continuing process of improvement, the classification was revised quite substantially by the SOEC during 1983. The statistics of table 9 have been collected on this new basis and, as a result, it is not possible to compare the new series with the old. The table shows details for the years 1981/82 to 1986/87. For the later years the estimates are shown only at an aggregate level, corresponding to what are described by SOEC as the 'chapters'. The table includes all expenditure on R & D, both in the fields of science and technology and of the social sciences and humanities.

Table 10 provides the distribution of persons employed on R & D work by government. They are mainly engaged in work arising from the intramural expenditure shown in tables 5 and 6. Some of those working in an administrative capacity are, however, managing the extramural projects.

Industrial research and development

Surveys of industrial R & D expenditure have been made triennially since 1969. The most recent, that for 1981, was the last in this series and a change in the collecting procedure is now being introduced. There are conflicting pressures concerning these inquiries. Many users of the results would like the survey to be more frequent than triennial while, on the other hand, respondents who find the inquiry particularly onerous have been pressing for a reduction in the burden of completing forms. To meet these objections it was agreed that the next full inquiry will be for 1985 but, in order to provide estimates of major aggregates biennially, there would be a small scale inquiry for 1983. A sample of about fifty enterprises has been approached and asked for aggregated data on R & D. The results will be matched with the full details from the 1981 survey, to provide an indication of trends to 1983. In addition to the sample covering the whole of industry, there will be a more complete study of the electronic sector.

The amount of detail to be requested by the new inquiry was discussed fully with the CBI and individual representatives of industry. These discussions proved particularly helpful in identifying the more burdensome aspects of the full inquiry. The resultant questionnaire is expected to have been easier to complete and will be more readily processed.

The 1981 full survey was an inquiry into the R & D spending patterns of private industry, the public corporations and the research associations. Preliminary results appeared in *British business*[6], and a Business Monitor is expected to appear shortly, with full results. Tables 11, 12 and 13 are summary results, which provide a picture of the level of R & D expenditure between 1964 and 1981.

Overseas royalty transactions

Tables 14, 15 and 16 are analyses of royalty transactions. These data are distinct from the R & D figures of the earlier tables and are obtained from the annual Overseas Transactions Inquiry, carried out by the DTI. While the Frascati definition concerns itself with the measurement of resources devoted to developing innovations, and so is an input measure, the royalty transactions in these tables provide tentative indicators of the output of technology and, more particularly, its transfer between the United Kingdom and the rest of the world. The tables have been included as part of the series which have appeared in previous articles in *Economic Trends*. Further details can be found in *British business*, dated 25 May 1984.

Other examinations of government R & D

It should be remembered that the UK government has no central research budget. Departments allocate their total budgets in accordance with their own policies and priorities, with R & D making up only a part of the budget of each department. Some important work on an overall view of R & D priorities is currently being carried out by the Cabinet Office, which has given rise to an annual review of government funded R & D. The initiative was announced in the government's response[7] to a House of Lords Select Committee Report on Science and Government and uses as one of its sources the government survey described in this article. Its main purpose is concerned with R & D planning, however, so different analyses are presented therein and extra information is included. Its results were published last year[8] and it is presumed that the results of the current review will be published in the autumn of 1984.

Further information

Enquiries about statistics in this article should be made as follows:

Government or industrial R & D expenditure and employment:
Department of Trade and Industry, S2C(2), Room 343, Sanctuary Buildings, 16–20 Great Smith Street, London SW1P 3DB
(telephone 01–215 3177 or 3413)

Overseas technological royalty statistics:
S2C(1) Room 251, Sanctuary Buildings, as before (telephone 01–215 3409)

Net[1] central government expenditure on research and development

TABLE 8

£ million

	1980/81[2] Outturn	1981/82 outturn	1982/83 Outturn	1983/84 Provisional Outturn
R & D in science and technology				
Defence	1 627.1	1 743.3	1 763.1	1 971.0
Civil:				
Overseas services	14.7	15.3	17.5	19.6
Agriculture, fisheries and forestry	97.7	111.8	119.2	125.7
Industry, trade and employment:				
Aerospace	137.9	173.7	145.9	172.3
Energy	192.1	238.7	244.4	227.7
Other industry, trade and employment	106.6	117.4	143.4	177.2
Environmental services	53.5	64.8	60.1	66.5
Law, order and protective services	5.3	8.2	9.2	9.5
Education and science:				
Agricultural and Food Research Council	37.0	41.4	43.1	45.5
Medical Research Council	72.6	100.6	106.4	112.8
Natural Environment Research Council	41.9	52.1	55.2	60.0
Science and Engineering Research Council	174.8	212.1	230.0	246.4
Other science, education, etc[3]	10.8	14.0	14.8	15.7
Universities in the UK	350.0	400.0	440.0	460.0
Health and social security	30.0	18.6	20.3	19.1
Other public and common services	8.5	9.9	11.6	1.1
Scotland	30.6	39.4	41.4	46.0
Wales	0.4	0.5	0.7	0.7
Northern Ireland	14.0	9.2	8.7	10.4
Total Civil	1 378.4	1 627.5	1 712.0	1 816.2
Total R & D in science and technology	3 005.5	3 370.7	3 475.1	3 787.2
Social science R & D[2]				
Defence	0.5	1.3	1.8	1.7
Civil:				
Overseas services	1.2	1.2	1.2	1.2
Agriculture, fisheries and forestry	0.1	0.1	0.2	0.3
Industry, trade and employment	4.1	5.0	5.7	4.2
Environmental services	4.9	2.1	2.3	2.0
Law, order and protective services	2.3	3.0	3.0	3.1
Education and science:				
Economic and Social Research Council	15.2	15.3	16.4	17.3
Other science, education etc[3]	5.3	8.4	8.9	8.9
Universities in the UK	130.0	140.0	160.0	160.0
Health and social security	7.0	9.6	8.6	7.4
Other public and common services	3.5	3.8	3.8	3.2
Scotland	3.3	1.4	1.4	1.3
Wales	0.7	1.1	0.9	1.2
Northern Ireland	0.5	0.5	0.7	0.7
Total civil	178.0	191.5	212.9	210.9
Total social science R & D	178.5	192.8	214.7	212.6
TOTAL EXPENDITURE ON R & D	3 183.9	3 563.6	3 689.8	3 999.8

[1] Net expenditure is defined in the technical annex.
[2] Revised.
[3] Includes the Arts and Libraries programme
Source: Department of Trade and Industry.

Net central government expenditure on research and development: analysis by European Community objectives for R & D spending

TABLE 9

£ million

	1981/82	1982/83	1983/84 (Provisional)	1984/85 (Estimates)	1985/86 (Estimates)	1986/87 (Estimates)
Exploration and Exploitation of the Earth:						
Total	63.9	67.7	70.8	74.5	76.8	78.5
General research	52.3	55.4	60.0	..	..	..
Earth's crust and mantle excluding sea bed	3.7	2.9	1.7	..	..	..
Atmosphere	4.7	5.8	6.2	..	..	..
Other	3.3	3.5	2.9	..	..	..
Infrastructure and General Planning of Land-use:						
Total	59.6	61.1	57.6	67.1	68.4	70.4
Construction and planning of buildings	18.3	19.5	16.0	..	..	..
Transport systems	21.9	23.9	20.2	..	..	..
Civil engineering	9.6	8.6	9.4	..	..	..
Other	9.8	9.2	11.9	..	..	..
Control of Environment Pollution:						
Total	42.4	49.0	42.4	54.7	59.9	62.8
General research	2.6	1.2	0.9	..	..	..
Water pollution	4.6	4.9	4.2	..	..	..
Atmospheric pollution	3.2	3.1	4.6	..	..	..
Radioactive pollution	24.4	30.9	28.4	..	..	..
Other scientific research on the pollution of the environment	7.7	9.0	4.4	..	..	..
Protection and Promotion of Human Health:						
Total	132.9	141.7	149.9	154.7	156.3	160.0
General research	110.8	118.1	127.6	..	..	..
Biomedical engineering medicines	6.5	6.7	4.3	..	..	..
Nutrition and food hygiene	5.0	6.0	5.5	..	..	..
Other	10.5	11.0	12.5	..	..	..
Production, Distribution and Rational Utilization of Energy:						
Total	226.7	224.2	214.1	211.4	209.0	207.8
Nuclear fission	168.5	167.8	162.1	..	..	..
Nuclear fusion	20.8	23.3	20.6	..	..	..
Renewable energy sources	16.1	13.5	8.6	..	..	..
Other research on production, distribution and rational utilization of energy	21.4	19.6	22.8	..	..	..
Agricultural Production and Technology:						
Total	190.9	202.0	209.9	218.2	222.8	227.9
General research	20.5	22.0	22.8	..	..	..
Animal products	53.9	58.2	60.0	..	..	..
Fishing and fish farming	15.8	16.6	15.8	..	..	..
Crops	70.6	74.5	81.5	..	..	..
Other	30.1	30.7	29.8	..	..	..
Industrial Production and Technology:						
Total	224.4	218.1	284.0	375.7	399.2	407.0
General research	22.3	26.5	28.5	..	..	..
Manufacturing and processing techniques and materials research	29.8	35.8	34.7	..	..	..
Manufacture of motor vehicles and other means of transport	128.7	97.8	132.3	..	..	..
Electrical and electronic engineering	21.9	18.5	36.2	..	..	..
Other	21.6	39.4	52.3	..	..	..
Social Structures and Relationships:						
Total	27.2	25.9	27.2	29.2	30.5	30.6
Education, training, recurrent education and retraining	8.2	8.8	9.1	..	..	..
Other research with regard to society	19.1	17.1	18.1	..	..	..
Exploration and Exploitation of Space:						
Total	69.0	73.2	74.7	98.3	101.8	89.3
Research Financed from General University Funds						
Total	540.0	600.0	620.0	640.0	660.0	670.0
Non-Oriented Research:						
Total	194.0	210.6	216.6	223.4	230.3	233.6
Mathematics and natural sciences	171.6	185.4	192.4	..	..	..
Engineering sciences	3.3	3.6	4.3	..	..	..
Social sciences and humanities	17.5	20.0	19.0	..	..	..
Other	1.6	1.5	1.0	..	..	..
Other Civil Research:						
Total	53.1	58.0	67.3	78.6	81.6	83.7
Defence:						
Total	1 739.4	1 758.2	1 965.3	..	..	..
TOTAL ALL OBJECTIVES	3 563.6	3 689.8	3 999.8	..	..	..

Note: Expenditure under any one objective may be the addition of more than one programme's R & D.

Central government employment on research and development

TABLE 10

Thousands

	1 January 1982					1 January 1983				
	Science and technology					Science and technology				
	Scientists and engineers	Technicians	Other[1]	Social Science	Total	Scientists and engineers	Technicians	Other[1]	Social Science	Total
Defence	5.2	4.4	17.8	0.1	27.5	5.1	4.3	17.6	0.1	27.1
Civil:										
Overseas services	0.2	0.1	0.1	0.0	0.3	0.2	0.1	0.1	0.0	0.3
Agriculture, fisheries and forestry	1.7	0.4	1.5	—	3.5	1.6	0.4	1.5	—	3.5
Industry, trade and employment										
Aerospace	0.0	—	0.0	—	0.0	0.0	—	0.0	—	0.0
Energy	3.5	1.7	8.9	0.0	14.1	3.5	1.7	8.8	0.0	14.0
Other industry, trade and employment	1.0	0.4	1.0	0.1	2.5	1.0	0.4	0.9	0.1	2.3
Environmental services	1.0	0.0	0.8	0.0	1.9	0.9	0.0	0.8	0.0	1.7
Law, order and protective services	0.1	0.0	0.1	0.1	0.3	0.1	0.0	0.0	0.1	0.3
Education and science:										
Agricultural and Food Research Council	0.6	0.4	0.6	—	1.7	0.6	0.5	0.6	—	1.7
Medical Research Council	1.5	1.1	1.2	—	3.8	1.5	1.0	1.2	—	3.7
Natural Environment Research Council	1.7	0.1	1.0	—	2.7	1.6	0.1	0.9	—	2.7
Science and Engineering Research Council	1.1	0.2	1.6	—	2.9	1.1	0.2	1.5	—	2.9
Economics and Social Research Council	—	—	—	0.2	0.2	—	—	—	0.2	0.2
Other science, education etc[2]	0.3	0.1	0.3	0.0	0.7	0.3	0.1	0.3	0.0	0.7
Health and social security[3]	0.2	0.2	0.2	0.1	0.7	0.2	0.2	0.2	0.1	0.7
Other public and common services	0.0	0.0	0.1	0.2	0.3	0.0	0.0	0.1	0.1	0.3
Scotland	0.1	0.1	0.2	0.1	0.5	0.1	0.1	0.2	0.1	0.5
Wales	—	—	0.0	0.0	0.0	0.0	—	0.0	0.0	0.0
Northern Ireland	0.1	0.1	0.2	0.0	0.5	0.1	0.1	0.2	0.0	0.4
Total employed on R & D in science and technology	18.2	9.6	35.5	—	63.3	18.1	9.3	35.0	—	62.4
Total employed on social science research	0.4	0.0	0.4	0.8	0.8	0.4	0.0	0.3	0.8	0.8
Total	18.7	9.6	35.9	0.8	64.1	18.5	9.3	35.3	0.8	63.1

[1] Including administrative staff.
[2] Includes the Arts and Libraries Programme.
[3] Excluding hospital staff.
Source: Department of Trade and Industry.

United Kingdom industrial expenditure on research and development at current prices

TABLE 11

£ million

	1964	1966	1967	1968	1969	1972	1975	1978	1981
Gross expenditure									
All product groups	493	585	611	648	694	839	1 352	2 341	na
Intramural expenditure									
Chemicals and allied products	68	84	86	94	104	138	245	425	655
Mechanical engineering	40	60	62	63	60	55	103	181	276
Electronics	106	112	115	128	141	179	279	650	1 153
Other electrical engineering		37	38	40	39	40	73	101	121
Motor vehicles	35	45	45	44	49	58	88	130	180
Aerospace	139	129	143	150	158	208	292	425	763
Other manufacturing	89	103	106	110	118	128	213	333	401
All manufacturing	476	570	594	630	671	806	1 293	2 243	3 549
Non-manufacturing	12	10	10	9	10	24	47	81	243
All product groups	489	580	605	639	680	831	1 340	2 324	3 792

Source: Department of Trade and Industry

United Kingdom industrial intramural[1] expenditure on research and development at current and constant prices and implied deflators

TABLE 12 — £ million

	1964	1966	1967	1968	1969	1972	1975	1978	1981
Expenditure at current prices	488.6	580.4	604.5	638.7	680.3	830.5	1 340.1	2 324.3	3 792.5
Expenditure at 1975 prices	1 400.0	1 504.0	1 514.0	1 506.0	1 513.0	1 418.0	1 340.0	1 566.0	1 661.0
	Index numbers: 1975 = 100								
Implied price deflators	34.9	38.6	39.9	42.4	45.0	58.6	100.0	148.4	228.3

[1] Work carried out within industry itself (i.e. excluding work contracted out to other sectors, e.g. government establishments).
Source: Department of Trade and Industry.

United Kingdom industrial intramural expenditure on research and development at 1975 prices, by manufacturing industry

TABLE 13 — £ million

	1964	1966	1967	1968	1969	1972	1975	1978	1981
Chemical and allied industries	196	218	216	223	236	231	245	284	277
Mechanical engineering	115	155	154	148	133	94	103	118	124
Electronics	222	288	285	297	308	302	279	442	511
Other electrical engineering	82	93	92	91	85	68	73	69	53
Motor vehicles	100	120	113	106	112	97	88	88	80
Aerospace	390	331	356	354	351	366	292	285	337
Other manufacturing	260	274	272	265	266	219	213	226	173
Total manufacturing	1 365	1 478	1 488	1 485	1 491	1 376	1 293	1 512	1 555

Source: Department of Trade and Industry.

Overseas technological royalty transactions[1]

TABLE 14 — £ million — Calendar years

	Receipts				Expenditure			
	1979	1980	1981	1982	1979	1980	1981	1982
Overseas technological royalty transactions— Estimates for all businesses (excluding oil companies)								
Transactions with								
Related overseas concerns	170.5	189.9	214.6	285.9	268.3	300.2	334.9	362.9
Unrelated overseas concerns	237.6	249.6	288.6	260.2	48.5	53.6	62.2	51.7
All overseas concerns	408.1	439.5	503.2	546.1	316.8	353.8	397.1	414.5

[1] Estimates in this table are for all firms, including those not responding to the inquiry.
Source: Department of Trade and Industry (Overseas Transactions Inquiry).

Overseas technological royalty transactions[1]

TABLE 15 — £ million — Calendar years

	Receipts				Expenditure			
	1979	1980	1981	1982	1979	1980	1981	1982
Overseas technological royalty transactions— Analysis of returns received by area or country								
Western Europe[2]	70.58	73.86	75.00	87.04	45.54	56.21	68.18	77.54
*European Community[3]	49.19	53.35	47.09	66.12	27.33	29.34	40.74	35.16
of which: Belgium/Luxembourg	..	..	..	..	..	..	..	..
France	12.84	15.75	17.34	23.80	8.90	9.34	..	11.51
West Germany	13.83	13.65	8.42	16.07	..	..	..	..
Italy	9.71	8.96	9.10	10.09	0.96	..	..	1.16
Netherlands	2.37	3.98	4.84	7.28	8.35	8.36	..	10.33
EFTA	11.40	9.66	18.96	10.63	18.06	26.75	26.80	42.30
of which: Sweden	4.19	3.92	1.68	2.68	3.12	3.05	3.45	4.22
Switzerland	..	..	..	..	14.38	23.51	..	..
Australia	12.31	12.43	12.24	13.59	0.78	1.02	0.37	0.14
Canada	4.60	5.47	7.86	6.75	..	12.30	13.57	4.29
Japan	..	43.78	53.32	50.01	..	1.06	..	..
New Zealand	..	1.99	..	5.41	..	..	..	..
South Africa	11.55	13.05	..	13.28	..	..	0.14	..
USA	98.11	104.50	125.56	185.50	..	223.41	250.67	309.38
Rest of the World	55.28	64.26	79.27	73.14	2.22	2.71	3.17	2.21
of which: Caribbean, Central and S. America	7.92	8.41	10.29	9.40	0.05	0.09	0.15	0.55
World technological and mineral rights	297.67	319.33	368.29	434.69	268.29	297.23	337.60	395.57

[1] These figures relate only to businesses responding to the inquiry, and differ from those in table 14 which include an allowance for non-response.
[2] Including other Western Europe countries: Cyprus, Gibraltar, Malta, Spain, Turkey and Western European countries not separately designated.
[3] European Community includes Greece from 1982.
Source: Department of Trade and Industry (Overseas Transactions Inquiry).

Overseas technological royalty transactions[1]

TABLE 16 — £ million — Calendar years

	Receipts				Expenditure			
	1979	1980	1981	1982	1979	1980	1981	1982
Overseas technological royalty transactions— Analysis of returns received by type of industry								
Manufacturing industry	277.27	296.51	331.05	387.24	256.91	285.88	319.52	364.80
of which:								
Chemical and allied industries	64.71	65.21	94.32	83.84	44.85	52.67	52.50	77.52
Mechanical and instrument engineering	63.75	67.68	63.95	115.29	68.94	71.95	76.93	60.78
Electrical engineering	25.57	31.37	33.13	41.50	85.72	91.71	116.63	134.73
Other	123.24	132.25	139.65	146.61	57.40	69.55	73.46	91.77
Total non-manufacturing industry	20.40	22.82	37.24	47.45	11.38	11.35	18.08	30.77
World technological and mineral rights	297.67	319.33	368.29	434.69	268.29	297.23	337.60	395.57

[1] These figures relate only to businesses responding to the inquiry, and differ from those in table 14 which include an allowance for non-response.
Source: Department of Trade and Industry (Overseas Transactions Inquiry).

Technical Annex

Definitions

The statistics of R & D in this article are based on definitions given in the so-called *Frascati Manual*[5] published by the OECD for use by the member states, and used by other international agencies as a basis for the statistics of R & D. The definition of R & D is, according to the manual, '. . . creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications'. This definition embraces work in the field of both science and technology and the social science and humanities.

Sectors of the economy are fully defined, for the purposes of this article, in a Central Statistical Office publication, Studies in Official Statistics No 27, *Research and Development Expenditure and Employment*[9]. However, brief outlines of these sectors are provided in the following:-

(i) Central government is defined as in the government sector of the national accounts for the period in question. Thus it includes the Atomic Energy Authority and the Research Councils.

(ii) Local authorities (included within 'government' in table A) are also defined as in the local authorities sector in the national accounts, except that R & D work done or financed by their further education establishments falls under heading (vi) below.

(iii) Private industry. This includes firms in private manufacturing, construction, mining and quarrying industries, private water companies and the distributive and wholesale trades. Agriculture is not included, nor are any of the private service industries not listed above.

(iv) Public corporations are also as defined as in the national accounts and are those listed in the descriptive handbook for the national accounts figures, *National Accounts Statistics: Sources and Methods* (HMSO), as amended from time to time and listed in the notes of the successive issues of the annual publication *National Income and Expenditure*[10] entitled *United Kingdom National Accounts* from the 1984 edition. While the number of public corporations will vary over time, the total industrial sector, private plus public, should be unaltered.

(v) Industrial research associations include the cooperative research associations and other organisations grant-aided by the Department of Trade and Industry and also the other industrial research associations.

(vi) Higher education covers the universities and the spending of the local education authorities on the polytechnics.

(vii) Private non-profit-making bodies. These cover, in principle, such research performing and/or financing charitable bodies as the Cancer Research Campaign and the major grant-dispensing private foundations.

Revision of results published in earlier articles

This article takes into account the results of the government inquiry for 1981/82 and 1982/83. For 1982 and earlier years the data is final. Central government expenditure for the financial year 1983/84, together with further forward estimates, will be collected in the autumn of 1984 and will provide final outturn for 1983/84.

The annual survey of government R & D

University research may be financed from government sources in either of two ways. Payments may be made by the Research Councils or other central government 'customers' for specific projects. These are readily identifiable, and details are collected as part of the analyses for the departmental 'programmes' (see below). The other source of research finance is from general university funds, most of which is government grant-in-aid. A proportion of the total grant-in-aid would be used in supporting research carried out by academic staff. An estimate of this proportion is supplied for the government R & D survey by the University Grants Committee and is very tentative. The figures are based on an inquiry into the use of academic staff time in 1969/70.

The annual government R & D survey covers expenditure in financial years (April to March) and numbers employed at 1 January. Each year, full details of R & D expenditure and employment for a recent year and fewer details for the current and some future years are collected. For example, the 1983 survey, taken last autumn, covered:

(a) full details of expenditure in 1981/82 and 1982/83;

(b) 'Provisional outturn' figures in limited detail of expenditure in 1983/84;

(c) 'Forecast outturn' figures in limited detail of expenditure in 1984/85, 1985/86 and 1986/87, at cash prices;

(d) numbers employed (full-time equivalent) on 1 January each year from 1982 to 1987.

The following details are collected for the year for which full information is required:

(a) gross intramural expenditure on salaries and wages, materials and equipment and other current and capital expenditure;

(b) gross expenditure on R & D performed elsewhere within the central government sector, i.e. performed by Research Councils, under other Votes or with central government funds;

(c) gross expenditure on extramural R & D performed outside the central government sector and current and capital grants for research purpose (including subscriptions to research bodies), analysed by receiving sector;

(d) receipts used directly to finance expenditure (appropriations-in-aid), analysed by paying sector (including other central government bodies);

(e) total gross expenditure (sum of (a) and (c) only, (b) being excluded to avoid double-counting of payments from one part of central government to another);

(f) net expenditure (sum of (a), (b) and (c) less (d); the aggregate of net expenditure on all returns equals the R & D element of the government's budget expenditure);

(g) net expenditure allocated to 'objectives' within the European Communities – 'Nomenclature for the analyses and comparison of science programmes and budgets' (NABS in the French language acronym);

(h) current intramural expenditure analysed by type of R & D (basic, applied, experimental development);

(i) numbers of persons employed on R & D, divided between persons with a degree or equivalent qualification, technicians, administrative and clerical staff and other supporting staff.

Expenditure and employment on R & D in science and technology and in the social sciences and humanities are itemised separately. The analysis of expenditure by type of research (item (h)) is not sought for the social sciences and humanities.

The analysis of government expenditure and employment on R & D, used in tables 5 to 8 and 10, is obtained by aggregating the returns within the main programmes used by the Public Expenditure main programmes. In addition, within the 'Education and Science' programme, each Research Council is itemised separately. The published analyses do not show government expenditure on research on particular functions, industries or services in full. For example, some government support for agricultural research is included in the items 'Overseas services', 'Scotland' and 'Northern Ireland' as well as in 'Agriculture, fisheries and forestry' and the Agricultural and Food Research Council. The alternative published analysis of government expenditure on R & D by objectives is based on the separate sections completed by departments for item (g) above.

The survey of industry

Industry is defined here as consisting of three parts, private industry, public corporations and the industrial research associations.

Private industry. The inquiry was carried out by the Business Statistics Office (BSO) and a revised register was used for 1981. Using the census of production register an initial inquiry was made to some 2600 companies asking if they carried out any R & D. As a result of this inquiry, questionnaires were despatched to all companies employing over 200 employees and reporting any expenditure on research and development, and to those companies who did not respond to the initial inquiry. On this occasion, as in 1978, the inquiry was carried out under the Statistics of Trade Act 1947. The expenditure recorded on actual returns received for 1981 accounts for 98 per cent of the total estimates, as compared with 96 per cent for the corresponding estimate of total expenditure in the previous survey for 1978. Private industry includes companies in which the government had a major shareholding such as Rolls-Royce, British Leyland, Ferranti and British Nuclear Fuels. It also includes the British Aerospace Corporation for reasons of comparability. The figures for construction do not include all development work undertaken on civil engineering on site, owing to the difficulty of distinguishing it from other activities.

Public corporations. All public corporations known to engage in scientific R & D were surveyed. The list of public corporations is as in the national accounts. Following national accounts practice, the Post Office is regarded as a public corporation and the Atomic Energy Authority is included in government.

Industrial research associations. Information on scientific R & D by the research associations was obtained directly from them.

Total industrial expenditure. In arriving at the total of expenditure for all industry, only the money spent in each enterprise is counted. It is assumed that R & D work contracted out by an enterprise is covered by the returns of the contractor.

Time period to which surveys relate. Private industry was asked to make returns for either the calendar year 1981 or a business year ending between 6 April 1981 and 5 April 1982. In the text and tables, references to the year 1981 includes both figures for the calendar year and other years ending in 1981/82. Figures for earlier years cover corresponding time periods.

General points of interest

Government R & D expenditure relates to financial years (April-March), whereas R & D in other sectors cover varying periods, normally the accounting years of the individual organisations. Total expenditure on R & D in the country is, where possible, measured from figures of the performers rather than those of the funders. It should therefore be remembered that the figures of payments to industry in the tables of gross R & D expenditure of central government are not compatible with the figures of total R & D performed in the United Kingdom.

Throughout these tables the constituents of a total have been rounded independently of the total. The total will not always be the sum of the parts.

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Industrial and commercial companies' real rates of return: differences between figures derived from national accounts and company accounts

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Introduction

Until companies started producing Current Cost Accounts (CCA) following the issue of SSAP 16[1] in March 1980, the main source of estimates of rates of return on capital employed in real terms for UK industrial activities was the national accounts. Analysis by the Bank of England of companies' CCA accounts available from Datastream Ltd revealed a wide discrepancy between the national accounts and CCA measures of the real rate of return. Subsequent figures produced by the Bank and DTI confirmed this discrepancy:

Industrial and Commercial Companies

Real rate of return (before interest and tax) (per cent)

	National accounts (excluding North Sea activities)	Company accounts (excluding oil companies)
1981	*4.0*	*7.7*
1982	*4.6*	*7.9*

Although some reasons why the figures differed were known, no quantitative reconciliation was attempted until earlier this year when the question of which figure provided the more appropriate measure of real returns in UK industry was becoming important in various contexts. An inter-departmental group under the chairmanship of Mr Byatt, Deputy Chief Economic Adviser to the Treasury, with representatives from the Treasury, Department of Trade and Industry and Bank of England, was established to attempt to reconcile the two measures. This article records its conclusions.

Data sources and coverage

Real rate of return estimates derived from national accounts statistics are published each year in *British business*. The most recent figures are in the 23 September 1983 and 27 April 1984 issues, where their derivation is also briefly described. The figures relate to UK operations of all companies, including foreign-owned subsidiaries, and are prepared for all industrial and commercial companies (ICCs), ICCs excluding North Sea activities, and for manufacturing companies. Only the figures for ICCs excluding North Sea activities are considered in this note.

Company accounts are available in a computerised form from Datastream. Nearly all companies which publish CCA accounts—over one thousand in total—are covered. These companies are mainly large, and are not necessarily representative of all industrial and commercial companies. The figures in this paper were derived from data obtained in December 1983. All companies classified to the 'oils' sector have been excluded. Use has also been made of the Department of Trade and Industry's company accounts analysis[2] to assess the effect of factors on which information is not available from Datastream. Although this analysis covers a representative sample of all British companies, it has not been used to derive the basic CCA figures since only some 400–450 companies in the sample produce useable CCA accounts, and these might be less representative than Datastream's coverage.

It is known, from work within DTI and from analysis of earlier data by the Bank of England, that average rates of return are very sensitive to changes in the sample size, and even to the inclusion or exclusion of a single large company. Data obtained in September 1983 from Datastream, for example, which covered fewer companies, particularly for 1982, showed returns of 8.9 per cent in 1981 and 9.2 per cent in 1982, considerably higher than the figures produced in December 1983 quoted above. In order to match the companies included in the analysis as closely as possible with the national accounts coverage, small adjustments have been made to the Datastream figures in the first paragraph and their effect is summarised at the top of

Real rates of return: summary of differences between figures derived from national accounts and company accounts

TABLE 1

	1981 per cent		1982 per cent	
Company accounts:				
unadjusted	*7.7*		*7.9*	
effect of adjusting company coverage	*−0.6*	*7.1*	*0.0*	*7.9*
National accounts		*4.0*		*4.6*
Difference		*3.1*		*3.3*
Effect on company accounts figure of applying national accounts conventions on:				
(i) overseas activities	*−1.0*		*−1.0*	
(ii) non-trading income*	*−1.0*		*−0.8*	
(iii) extraordinary and exceptional items*†	*−0.8/−1.2*		*−1.2/−1.8*	
(iv) asset lives	*−0.6*		*−1.1*	
(v) monetary items in capital base*	*−0.6*		*−0.6*	
(vi) land	*+0.5*		*+0.5*	
(vii) smaller companies	*−0.4*		*−0.2*	
(viii) average/end-year capital employed*	*+0.3*		*+0.3*	
(ix) monetary working capital adjustment	*±0.0*		*±0.0*	
(x) other items	*+0.0*		*+0.0*	
Total effect	*−3.6/4.0*		*−4.1/4.7*	

* Calculated from Datastream source.

† These figures are calculated on the assumption of average tax rates of zero and 30 per cent, and assume that all exceptional and extraordinary items are taken above the line (see (iii) on following page).

Table 1. Specifically, the Dutch part of the Unilever conglomerate was excluded, and British Leyland, GEC and foreign-owned companies included, (Datastream only included GEC figures for 1981; unaudited 1982 figures were added. Of the relatively few foreign-owned companies operating in the United Kingdom included on Datastream, only 19 produced CCA accounts in 1981 and only 8 in 1982, accounting for some 3 per cent of the aggregate capital employed. The adjustment for foreign-owned companies is therefore incomplete; any additional adjustment could, of course, affect rates of return in either direction). The effect of these changes was to reduce the company accounts rate of return by 0.6 percentage points in 1981 (mostly due to the inclusion of BL) and to leave the 1982 figure unchanged (an increase due to the inclusion of GEC offsetting a decrease due to the inclusion of BL).

Other reasons why the measures differ

Even after making adjustments to the companies included in the analysis of company accounts, significant differences remain between the two measures of real rates of return, as shown in Table 1. Broadly in order of their quantitative impact, the reasons are as follows. They are summarised in Table 1.

(i) *Overseas activities.* The national accounts measure of profitability includes only UK activities whereas company accounts include, in addition, overseas subsidiaries and branches of UK-owned companies, which are generally more profitable.

No direct measures of the pre-tax profitability of such activities (which account for some 25 per cent of total sales of Datastream companies) are available. An analysis by DTI using their company accounts analysis and their Overseas Direct Investment Inquiry[3] provided estimates of the effect of overseas activities on companies' published post-tax rates of return at book values. From this, using rough approximations, it was estimated that these activities added about 1 per cent to the CCA rates of return (before interest and tax) obtained from company accounts in recent years. From another analysis, on the basis of OECD calculations of rates of return in overseas countries following Hill's initial study[4] combined with information from DTI's Census of Overseas Assets on the proportion of assets overseas, it was estimated that excluding overseas activities would reduce real rates of return by about one-ninth, just under one percentage point.

(ii) *Non-trading income.* Company accounts include non-trading activities (mostly holdings of cash and similar liquid assets, as well as investments in associated and other companies), whereas national accounts figures relate to trading activities only. In both 1981 and 1982, around 15 per cent of aggregate capital employed in the company accounts comprised non-trading assets; these assets generated some 25 per cent of total profits before interest and tax. The effect of excluding non-trading income is to reduce the rate of return by about one percentage point in 1981 and 0.8 points in 1982.

(iii) *Exceptional and extraordinary items.* In the interests of greater uniformity, Datastream adjust the accounts of some companies by taking certain of the reported exceptional items (especially rationalisation costs) 'below the line', so that, like extraordinary items, they are not taken into account in arriving at trading profits. In making these adjustments, Datastream estimate the tax attributable to these exceptional items so that they are then stated net of tax, like extraordinary items. In the national accounts, however, some of these exceptional and extraordinary items are taken 'above the line'. In assessing the effect on company accounts of taking exceptional and extraordinary items 'above the line' an estimate is required of the tax attributable to these items. Given the uncertainties involved, alternative assumptions were made: first that tax makes a negligible difference, and second that the effective tax rate is 30 per cent. The true answer probably lies between these two extremes. On these assumptions, taking *all* exceptional and extraordinary items above the line reduces company accounts rates of return by between 0.8 and 1.2 percentage points in 1981 and 1.2 and 1.8 percentage points in 1982. However, not all exceptional and extraordinary items are treated as additions to or deductions from profit in the national accounts—for instance profits on the disposal of fixed assets would be taken below the line—but it is impossible to assess whether such items are on balance positive or negative.

(iv) *Asset lives.* Although no precise figures are available, the asset lives assumed in company accounts are thought to be, on average, around half those now assumed in national accounts. The use of longer asset lives would generally reduce the rates of return shown in company accounts since the effect of the increase in the capital base would usually outweigh the effect of reduced capital consumption. However, there is no way of adjusting lives assumed in company accounts; the approach adopted was therefore to consider the effect of shortening the asset lives assumed in national accounts.* Since this effect will vary from year to year (depending, for instance, on the ratio of gross profit to investment), figures for particular years can be determined only by simulation.

The CSO was therefore asked to calculate capital stock and capital consumption using their perpetual inventory model, but assuming lives half those used in the 1983 Blue Book.[5] The results are shown in Table 2. Because no firm evidence is available on asset lives in company accounts, and a general halving of asset lives results in some entirely unrealistic assumptions for particular classes of asset, the figures can only be taken as a rough guide to the likely effect of different asset life assumptions on the real rate of return shown in company accounts.

The CSO results suggest that halving all the asset lives assumed in the national accounts increases the net real rate of return by more than 3 percentage points in 1960, between 2 and 2.5 points in the next five years and just under 2 points in the next four. From 1970 onwards the increase fluctuates in a range from 0.2 to 1.7 percentage points. The increase is greater the higher the rate of return, but from year to year it falls or rises more than proportionately to the rate of return. Over the last 10 years, as the reductions in net capital stock

* The basis of the asset lives used in the national accounts was set out in an article in *Economic Trends* No 276, October 1976 and the changes made in 1983 in the notes to the 1983 Blue Book, page 114.

Effect of halving asset lives* on non-North Sea industrial and commercial companies

TABLE 2

	With half-asset lives as a percentage with full asset lives			Net real pre-tax rate of return on capital per cent		
	Gross capital stock†	Net capital stock†	Capital consumption	Full asset lives	Half asset lives	Increase
1960	66	64	124	13.5	16.8	3.3
1961	67	64	125	11.6	14.1	2.5
1962	67	65	126	10.4	12.4	2.0
1963	67	65	127	11.4	13.8	2.4
1964	68	65	129	12.2	14.8	2.6
1965	68	65	126	11.0	13.2	2.2
1966	68	65	127	9.7	11.5	1.8
1967	69	65	127	9.8	11.6	1.8
1968	69	65	127	10.0	11.8	1.8
1969	69	65	127	9.8	11.6	1.8
1970	69	65	127	8.6	9.9	1.3
1971	70	65	127	8.9	10.3	1.4
1972	70	65	127	9.3	11.0	1.7
1973	69	65	126	8.9	10.6	1.7
1974	69	64	126	5.6	6.1	0.5
1975	69	64	125	4.5	4.7	0.2
1976	68	62	124	4.5	4.8	0.3
1977	68	62	123	6.7	8.0	1.3
1978	67	62	121	7.5	9.1	1.6
1979	67	61	121	5.7	6.7	1.0
1980	67	61	121	4.4	5.0	0.6
1981	66	60	119	4.0	4.6	0.6
1982	64	58	116	4.6	5.7	1.1

* Compared with those used for 1983 Blue Book. Calculated by CSO. Rates of return also on 1983 Blue Book basis except that 1982 takes account of the revised profits figure issued in March 1984.

† Fixed assets end-year.

resulting from the halving of asset lives have increased and the increases in capital consumption declined, there have been greater increases in rates of return. This is illustrated by a comparison of 1975–6 and 1980–82, both periods with rates of return about 4.5 per cent; in the first period, the increase in the rate of return from halving asset lives was 0.2 to 0.3 percentage points and in the second between 0.6 and 1.1.

The effect of changing asset lives also depends on the pattern of growth of gross fixed investment. This has been analysed by the Bank of England, and the results show that the faster the rate of growth of investment relative to the long term trend, the greater is the reduction in the rate of return resulting from increasing asset lives. Given the recovery in profits and investment, the effect in 1983 of doubling the asset lives assumed in company accounts would probably be to reduce the rate of return by at least 1 percentage points.

(v) *Monetary items in the capital base.* As well as trade investments and cash, which were deducted in allowing for the effect of non-trading income at (ii) above, the company accounts capital base includes trade debtors and, on the liabilities side, trade creditors (including VAT, PAYE and national insurance accruals) and outstanding dividend, interest and current tax payments. For companies in the Datastream sample, these items in aggregate are negative (i.e. the liabilities exceed the assets) and amount to some 10 per cent of capital employed. Treating these net monetary liabilities as financing trading assets, rather than as a deduction from trading assets, would reduce the company accounts rate of return by about 0.6 percentage points.

(vi) *Land.* Land is excluded from the asset base in the national accounts. No reliable estimates of its value are available. However, its exclusion overstates the national accounts rate of return, and a notional half a percentage point is added to the company accounts figure in Table 1 to allow for this.

(vii) *Smaller companies.* Only companies over a certain size have been required by SSAP 16 to prepare current cost accounts. DTI's analysis of company accounts suggested that, whereas the profitability of small and medium size companies was very similar to that of large companies before 1980, since then they appear to have been less profitable. As a result, the CCA figure for all companies may be about 0.4 percentage points lower than that for large companies in 1981 and about 0.2 percentage points lower in 1982, although the 1982 figure in particular is very provisional.

(viii) *Average/end-year capital employed.* The Bank's original analysis of company accounts took as the denominator end-year capital employed rather than the average of start and end-year figures as in the national accounts figures. The effect on the company accounts measure of moving to average capital employed is to increase the return by about 0.3 percentage points.

(ix) *Monetary working capital adjustment.* This is slightly different from (v) above in that companies in their current cost accounts include not only monetary items in the capital base but also a monetary working capital adjustment (MWCA) in profits. The changes required to bring the capital base into line with the national accounts in respect of monetary items are covered by item (v) above.

The effect of the MWCA on profits could not be calculated from Datastream's data but an estimate was made from the DTI's analysis of CCA company accounts. In principle, the adjustment could increase or decrease profits but the DTI's figure suggests that in aggregate, over all companies, the adjustment is close to and fluctuates around zero. Of course for individual companies the MWCA was substantial. The definition of monetary working capital in SSAP16 is somewhat different from the monetary items covered in item (v) above and companies are allowed some flexibility as to what is included. The implication of the DTI calculations is that the SSAP16 monetary working capital is also in aggregate very close to zero.

(x) *Other items.* There are several further reasons why national accounts and company accounts figures differ, such as:

(a) The national accounts measure covers all ICCs except for North Sea exploration and extraction activities. It therefore includes downstream activities of oil companies (refining, retailing etc.) whereas all activities of oil companies have, of necessity, been excluded from the company accounts data for this exercise.

(b) National accounts figures are on a calendar year basis, whereas companies' financial years vary.

(c) The treatment of leased assets in company accounts varies: some company accounts are consistent with the national acounts treatment in excluding leased assets from capital employed and treating rentals as a cost in measuring trading profit, but others already capitalise leased assets as required in future under SSAP 21[6].

(d) Some companies deduct capital grants from the cost of assets, whereas they are not deducted in the national accounts.

(e) The national accounts treat only specific, and not general, provisions for bad debts as a cost in calculating profit, whereas both are treated as costs in company accounts.

If company accounts adopted the same conventions as national accounts on these points, the rate of return in company accounts would be increased by item (e) and reduced by item (d), but the effects are both likely to be small. The other factors could affect the rate of return in either direction, and while the effect in a particular year might be noticeable, over a period of years the effect is unlikely to be significant. When SSAP 21 on leasing becomes effective, it will be necessary to assess the effect of the resulting divergence of treatment between company accounts and national accounts on rates of return.

Conclusions

In broad terms, Table 1 does succeed in reconciling company current cost accounts and national accounts rates of return. However, the estimated effects are in some cases (particularly for extraordinary items, overseas activities and land) subject to a wide margin of error, and are unlikely to be constant over time. Combined with the uncertainties in the rates of return estimates themselves, it is perhaps not surprising that the factors identified if anything over-explain the differences between the two measures. The most important factors are the choice of which operations to include (non-trading income, overseas activities), extraordinary items and asset lives.

As far as possible, the factors identified in this paper will be kept under review as rates of return are calculated each year. Items which cannot be analysed in detail each year will be examined periodically.

The availability of current cost accounts has made it possible to confirm, within a small margin, the real rate of return calculated from the national accounts. It would be unfortunate if, following the latest proposals on current cost accounting, there were not in future enough information to make such calculations possible. Their availability has been very valuable.

The appropriate measure of profitability depends upon the purpose for which it is required, having regard to the differences identified in this article.

References

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2 Business Monitor MA3 'Company Finance'

3 Business Monitor MA4 'Overseas Transactions' and supplement 'Census of Overseas Assets'

4 'Profits and Rates of Return' T P Hill OECD 1979. Updated figures given in *British business* 19 August 1983

5 'National Income and Expenditure 1983 Edition'

6 Forthcoming statement of Standard Accounting Practice on Leasing.

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Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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